



DEPARTMENT OF THE NAVY  
NAVAL SEA SYSTEMS COMMAND  
WASHINGTON, D.C. 20362

IN REPLY REFER TO

0281C/CC  
Ser 331

JUL 30 1979

From: Commander, Naval Sea Systems Command  
To: Chief, Naval Material Command (MAT 08C)  
Subj: Norfolk Shipbuilding and Drydock Corporation Claim Relating  
to Builders Risk Insurance  
Encl: (1) Norfolk Shipbuilding Claim Item V.C.6. Builders Risk  
Insurance.

1. This office is assisting the Supervisor of Shipbuilding, Conversion and Repair, Portsmouth, with settlement of a Request for Equitable Adjustment (REA) by Norfolk Shipbuilding under contract N00024-71-C-0312. One of the claimed items concerns alleged unreimbursed costs relating to Builders Risk Insurance. A copy of this item, enclosure(1), is forwarded for your information.

2. The Technical Analysis Report prepared by SEA 028 will be forwarded in draft for your review and comments. Questions can be directed to Mr. William Jung, SEA 028, Telephone Number 692-1264.

DANIEL W. McKINNON, Jr.  
by direction

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~~representatives of the Royal Thai Navy for about the last year of ship construction. Further, during approximately the last one hundred and twenty days of contract performance, a significant number of foreign crewmen were present on a continuing basis. All of the added cost and time resulting from these matters is compensable under the Changes Clause of the contract.~~

V.C.6. Builder's Risk Insurance

The provisions of the F-PF-108 construction contract provide that the Government shall assume the risk of loss or damage to the vessel. Further, the Contractor is expressly prohibited from procuring or maintaining insurance against any form of loss or damage to the vessels or materials or to equipment therefor. When loss or damage occurred to the ship or its parts, the Contractor's total liability was limited to \$1,000.00 per incident. Nonetheless, as discussed later in this section, several incidents occurred during contract performance which were compensable under the insurance provisions of the contract, but have not yet been paid by the Government.

The insurance provisions involved in this section are found in the General Provisions of the contract. Clause 9 of such General Provisions is entitled: "INSURANCE - PROPERTY LOSS OR DAMAGE - LIABILITY TO THIRD PERSONS." Such clause is quoted in pertinent part below:

- "a. The Contractor shall not, unless otherwise directed in writing by the Department, carry or incur the expense of, any insurance against any form of loss or damage to the vessels or to the materials or equipment therefor to which the Government has acquired title or which has been furnished by the Government for installation by the Contractor. The Government assumes the risks of loss of and damage to vessels and such materials and equipment which would have been assumed by the underwriters if the Contractor had procured and maintained throughout the term of this contract, on behalf of itself and the Government, insurance with respect to the vessels and such materials and equipment for full value against pre-keel and post-keel laying risk (i) under the forms of Marine Builders Risk (Navy Form-Syndicate) Policy, including the rider attached to the 'Free of Capture and Seizure' clause thereof, and War Damage Policy, both as set forth in the pamphlet entitled 'Standard Forms of Marine Builders Risk (Navy Form-Syndicate) and War Damage Insurance Policies referred to in 'Vessel Contracts of the Naval Ships Systems Command', dated 23 November 1942; or (ii) under any other

ENCLOSURE (1)

policy forms which the Insurance Branch, Headquarters, Naval Material Command, of the Department shall determine were customarily carried or would have been customarily carried by the Contractor in the absence of the foregoing requirement that the Contractor not carry or incur the expense of insurance; provided, that the Government does not assume any risk with respect to loss of damage compensated for by insurance or otherwise or resulting from risk with respect to which the Contractor has failed to procure or maintain insurance, if available, as required or approved by the Department. Except in the event of failure to procure or maintain insurance, if available, as required or approved by the Department, no provision of this contract shall operate to subject the Contractor to a liability which would have been borne by the underwriters if the Contractor had procured and maintained insurance as provided in the preceding sentence. Notwithstanding the foregoing, the Contractor shall bear the first \$1,000.00 of loss or damage from each occurrence or incident the risk of which the Government otherwise would have assumed under the provisions of this paragraph...

e. In the event of loss of or damage to any of the vessels or any of the materials or any of the equipment therefor, the Contracting Officer may, without prejudice to any other right of the Government, either:

- (i) Order the Contractor to proceed with repair or replacement, in which event the Contractor shall effect such repair or replacement and, if the risk of the loss or damage shall have been assumed by the Government, any increase in the cost of performing the contract resulting therefrom shall be determined under the clause of this contract entitled 'Changes'; or
- (ii) Terminate the construction of any or all of the vessels under the clause of this contract entitled 'Termination for Convenience of the Government.'

As noted in the above-quoted contract provisions, the Contractor is fully indemnified, except for the first \$1,000.00 of each incident or occurrence, unless the Department otherwise instructs the Contractor to obtain insurance. For the F-PF-108 contract, the Contractor received no instructions from the Government to procure any additional insurance. Accordingly, the contract provisions relating to risk of loss remain in full force and effect.

It has already been determined in numerous earlier cases

relating to the field of Marine Builders Risk Insurance that all of the cost which flow from a covered incident or occurrence, plus a reasonable profit, are to be paid by the Government less the deductible, if any, set forth in the contract. Delay and disruption cost, plus a reasonable profit, are also covered. This comes about because the above-quoted provisions specifically entitle the Contractor to an adjustment for any repairs or replacements pursuant to the clause of the contract entitled "Changes". The "Changes" Clause clearly provides for an equitable adjustment which therefore shall take into account all of the impact of the loss or damage on contract performance, including the contract price, the delivery schedule, or both.

Following subsections discuss work performed by the Contractor in accordance with instructions from the Government which is covered by the provisions of the contract quoted above.

#### V.C.6.a. Fire Damages

Two separate incidents occurred during contract performance where the ship and/or its components were damaged by fire. In each case, the Contractor reported the fire damage, and the Supervisor instructed the Contractor to proceed with the necessary corrections and notify the Supervisor when they were complete.

The first fire damage was discussed in the Supervisor's letter to the Contractor, serial 3039, dated December 10, 1973. That letter confirmed that the Supervisor had been advised by the Contractor of a fire aboard the ship in the Mark 63 Gun Director. The Supervisor said that: "Preliminary investigations reveal that damage is Contractor responsibility and was confined to the Director and its associated components. You are requested to make any necessary corrective repairs to restore the ship to its original condition prior to the incident at no cost to the Government. The preliminary investigation revealed the following damage:

- (a) Four scorched armored cables.
- (b) One burned rubber cable.
- (c) Gun sight optical glass discolored by heat.
- (d) Charred Director casing with possible internal damage.
- (e) Director operator's safety belt burned.

You are further requested to notify this office of the date of completion of the corrected repairs."

The letter quoted above was signed by the head of the Contract Department in the Supervisor's office. Although it made no mention of the insurance provisions of the contract, it was clearly an instruction to proceed with the work. The Contractor complied with such instruction, but no adjustment in contract price has been made or proposed by the Supervisor. The work required to

repair this fire damage was performed by the Contractor and his subcontractor, the Pacific Ordnance and Electronics Company. The Contractor is entitled to an equitable adjustment in the contract price for all of the cost and impact which resulted from this fire, less \$1,000.00.

The Contractor also reported another fire aboard the ship on March 19, 1973. On April 5, 1973, the Supervisor of Shipbuilding acknowledged receipt of the Contractor's report, the Supervisor's acknowledgement, serial 889, asks the Contractor to notify the Supervisor when corrective action in repairing the damaged areas and equipment was completed. On May 8, 1973, by letter serial 1194, the Supervisor repeated his earlier request for the Contractor to provide the Supervisor with information as to when the fire damaged areas were to be completed on the subject ship.

On May 9, 1973, by letter serial 100-446, the Supervisor of Shipbuilding was advised by the Contractor that the areas soiled by smoke and otherwise damaged during the fire aboard the F-PF-108 reported to the Supervisor on March 19, 1973, had been cleaned and restored to their original condition. According to the Contractor's letter, there was no other known damage at that time as a result of that fire.

The second fire discussed above was corrected at the Contractor's expense, and he is entitled to an equitable adjustment under the contract provisions for the full value of such corrections, less \$1,000.00.

#### V.C.6.b. Damaged Port Reduction Gear

This matter was an extremely significant one in relation to the period of performing this contract. As discussed below, the reduction gear was damaged as a result of an accident in the Contractor's plant at a most critical time in the stage of construction. Had not such damage occurred, the reduction gear could have been landed in the ship and work proceeded on the schedule which existed at the time the accident occurred. If that had taken place, all available information indicates that the ship would have been delivered on a much earlier schedule than was actually attained.

The accident to the port reduction gear occurred on May 12, 1972. The Supervisor was notified by telephone shortly after the accident occurred. All of the details then available were relayed to the Supervisor's office by this telephone conversation.

On May 17, 1972, the above-noted telephone conversation was confirmed by the Contractor's letter, serial 100-182. The Contractor's letter confirmed all of the previous information concerning the accident which damaged the port reduction gear. Further, all of the details then available concerning the damage sustained

by the unit were provided to the Supervisor. Since it was not possible at that time to arrive at an estimated cost or time of repairing the damaged unit, the Contractor requested the Supervisor to promptly issue instructions and necessary contract modifications to effect necessary repairs and correction. Prompt action was necessary because the unit was at that time scheduled for installation on May 28, 1972, and the ship was ready to receive it.

The Supervisor did not issue a contract modification, but the Contractor was instructed to obtain the services of a factory representative to inspect the unit and determine the next course of action. Further, it was determined that the unit had to be returned to the manufacturer, and the Contractor promptly did so.

On August 1, 1972, by letter serial 100-242, the Contractor advised the Supervisor that the manufacturer (Philadelphia Gear Corporation) of the damaged port reduction gear had completed certain of the inspections required. The results of such inspections were forwarded as an enclosure to the Contractor's letter. The Supervisor was also advised by the Contractor that Philadelphia Gear had been authorized to proceed with repairs in an expedited manner as a result of discussions between the Contractor and the Navy during the Quarterly Production Progress Conference on July 12, 1972. At that time, the Contractor had requested the manufacturer to complete repairs and ship the gear prior to August 18, 1972, or sooner if possible, because the manufacturer's labor contract expired August 21, 1972. In his letter of August 1, the Contractor told the Supervisor that repair cost had not then been developed, and a detailed cost breakdown would be forwarded as soon as it became available.

The Contractor continued to apply all of the pressure he could to get the unit repaired and shipped by Philadelphia Gear. The unit was urgently needed for installation in the ship, and significant delay and disruption continued to flow from the missing unit. Working around something of this nature in a ship as compact as F-PF-108 is a very expensive and time consuming proposition. On October 3, 1972, by letter serial 100-296, the Contractor provided further information to the Supervisor concerning the sequence of events that had transpired since the last correspondence. Included in this letter was the then current status of the damaged reduction gear. Additionally, the Supervisor received, as an enclosure to the Contractor's letter, an interoffice memorandum dated September 28, 1972. In that memorandum, the efforts made by the company to get the Philadelphia Gear Corporation to promise a shipping date were discussed. As of that writing, the earliest possible shipment date for the gear was October 13, 1972. The company had made arrangements to meet with Philadelphia Gear on October 4 at which time a definite shipping date was expected to be set. Many of the problems encountered in repairing the gear and applying heat in the course of such repairs were also discussed for the Supervisor's information.

While the Contractor continued to struggle with the problems caused by this damaged reduction gear, the Naval Ship Systems Command

began a series of letters expressing the concern of that command about progress on the ship. On October 10, 1972, the Contractor sent a letter to the Naval Ship Systems Command discussing the types of problems which were affecting performance of this contract. That letter, serial 100-303, gave a full report on the damaged reduction gear and discussed the impact of the damaged gear on the performance of this contract.

On October 23, 1972 the damaged reduction gear was returned to the Contractor's plant. As noted above, the accident occurred on May 12, 1972. Accordingly, the Contractor had lost at that point a total of six months and ten days in the schedule for installing this unit.

On October 26, 1972, as a part of another in the series of correspondence exchanged between the Naval Ship Systems Command and the Contractor relating to contract progress, the president of the company discussed the impact of the damaged reduction gear on contract performance. The Naval Ship Systems Command was clearly aware, or should have been aware, that the prolonged extension of the scheduled installation of this vital unit was a major impairment to the Contractor's ability to deliver the ship on the original schedule. Nonetheless, the Navy continued to insist that the Contractor expedite his performance of the contract and meet the original schedule.

On November 30, 1972, Philadelphia Gear Corporation wrote a letter to the Contractor which outlined repairs made to the damaged port reduction gear and supplemented the Philadelphia Gear letter dated July 10, 1972. Findings in the July 10 letter were not repeated in the November 30 letter. Further, the findings of the July 10 letter had been relayed to the Navy during the Quarterly Production Progress Conference on July 12, 1972. According to the letter from Philadelphia Gear dated November 30, 1972, inspections taken subsequent to their report of July 10 included complete disassembly of the unit and Magnu-flux inspection of all gears. Weld repairs to the damaged upper cover had then been completed. Heat build up during these repairs caused distortion at the cover flange, which in turn necessitated remachining (milling) of the joint surface. This was followed by reboring of center and upper case sections as an assembly. The gear contact patterns were checked upon completion of housing repairs and found to be unsatisfactory. Both forward and reverse pinions were removed and corrections were made by tooth grinding. The unit was then reassembled, contacts were rechecked, and found to be satisfactory. The drive was then set up for testing, and it had been tested in both forward and reverse directions for a total of five hours. The unit having thereby been restored to its original condition, and having performed satisfactorily during the prescribed test, was at that time covered by the standard warranty of the Philadelphia Gear Corporation according to their letter. Invoices for work performed were to be forwarded under separate cover. Carbon copies of the Philadelphia Gear Corporation's letter were

sent to the Naval Ship Engineering Center, Philadelphia Division - Mr. D. McDowell.

The delay in production attributable to the damaged reduction gear was discussed in the Contractor's letter to the Supervisor, serial 100-350, dated December 7, 1972. In that letter, the Contractor recounted the background of the problem and highlighted the significant events involved since the accident first occurred on May-12, 1972. The Supervisor was notified that the damaged reduction gear had a delaying effect upon the contract, and in particular structural, mechanical, and electrical systems in the main engine room. As the Supervisor had been previously advised, Module 1-1A (main engine room) was the controlling module for the construction of F-PF-108 because of its complexity and limited space. It required a relatively lengthy construction and outfitting period. Additionally, effective utilization of major outfitting crafts dictated that such crafts work on this complex module while others were being constructed. All work in the main engine room was progressing at a very satisfactory pace until the accident which damaged the port reduction gear took place. That accident caused a total disruption of all plans and schedules, not only in the engine room, but also a disruption of work to be performed on other modules. The Contractor further notified the Supervisor that the Philadelphia Gear Works had been unable to advise the Contractor of a definite date for redelivery of the repaired gear for an extended period of time. Accordingly, the Contractor pointed out that he had been forced to delay installation of the main deck, gratings, ventilation systems, electrical systems, etc. on a week-to-week basis while intensive discussions continued with Philadelphia Gear. During such discussions, the Contractor was led to believe that shipment of the gear would take place shortly. The Contractor further pointed out to the Supervisor that, as time went on, he continued to expect the gear to be shipped almost immediately based on information provided by Philadelphia Gear Corporation. Accordingly, there was no way to have reasonably predicted at the outset that it would take five months to repair the reduction gear and get it back in the Contractor's plant. At the time of writing this letter, the Contractor estimated that a total of 1,850 man days of work had been delayed because of the reduction gear alone. This work was broken down into ten sub-categories in the Contractor's letter dated December 7, 1972. In addition, work directly attributable to the damaged reduction gear was listed and included in the estimated total of 1,850 man days of work. In discussing the nature of the estimate in his letter, the Contractor pointed out that an estimate of this type depended largely on the judgement of the estimator. Nonetheless, a five month delay in installing a major piece of equipment in a vessel whose entire construction period was supposed to be twenty months could not be reasonably absorbed by the Contractor and hold the original schedule. Further, the Supervisor was reminded that such an event was by its very nature extremely disruptive and expensive to overcome.

After providing all of the above-noted information in his letter of December 3, the Contractor closed the letter with a request for the Supervisor to issue a Contract Change to authorize the Contractor to work premium time as required to attempt to regain the time lost due to the reduction gear problem. The Supervisor was also asked to authorize a delay in delivery without prejudice to the rights of either party. The Contractor stated that it was his belief that the Government was fully responsible for all the consequences and impact of this problem pursuant to the insurance provisions of this contract.

On April 1, 1975, the Contractor's letter to the Supervisor, no serial, forwarded one copy of Philadelphia Gear Corporation's letter of November 30, 1972 (discussed above). That letter had been requested by the Government during a conference between the Supervisor and the Contractor. It covered all additional repairs required by the Philadelphia Gear Corporation on the damaged port reduction gear. The Contractor asked the Supervisor to advise promptly if there was any other information that was required in order to prepare the contract modification to cover this work. The conference during which the letter had been requested took place at the Contractor's plant on March 31, 1975.

On April 7, 1975, the Supervisor's letter to the Contractor, serial 746, discussed the repairs to the damaged port reduction gear. That letter forwarded a proposed contract modification, FMR-0082. The second paragraph of the Supervisor's letter said: "In order to facilitate the adjudication of FMR-0082, you are requested to furnish this office a priced proposal, including weight and moment effect, if any, in the usual format. Additionally, you are requested to furnish any back-up data which you may possess, with your proposal. This back-up data should include copies of invoices from any subcontractors, and a separate break-down for labor and material." Although the proposed FMR was not issued until April of 1975, the General Information portion thereof states: "This FMR is issued under authority of NAVMAT/SUPSHIP phonecon of June 8, 1972 and confirms Norfolk Shipbuilding & Drydock Corporation's letter serial 100-181 of 17 May 1972."

The direct performance cost of complying with the Government's direction to perform this added work pursuant to the insurance provisions of the contract and the equitable adjustment related thereto will be treated under Section V.D.2. of this proposal. All of the other elements of the equitable adjustment in contract price and delivery schedule occasioned by this accident to the port reduction gear will be treated in the pricing for this section of the proposal.

#### V.C.6.c. Damaged Starboard Ship's Service Generator (#1)

On the morning of February 8, 1974, the starboard ship's service generator was undergoing tests when an accident occurred.

The engine driving the generator failed and the number one connecting rod and/or other parts were thrown through the side of the engine cylinder block. This damage was reported to the Supervisor by the Contractor's letter, serial 100-611, dated February 8, 1974. The Supervisor was provided with all the information available to the Contractor at that time. Further, the Supervisor was told that the total extent of the damage was not known, but a survey was being initiated. The Contractor stated that a detailed report would be forwarded as soon as possible. The report submitted by the Contractor's letter of February 8 was identified as being submitted pursuant to Clause 9 of the General Provisions of the contract. The Contractor asked the Supervisor to promptly authorize the necessary repairs. The Contractor also noted that this accident would impact his ability to deliver the ship, and that the total impact on ship delivery of the casualty could not then be determined.

On February 20, 1974, the Supervisor of Shipbuilding issued his "Schedule Adherence Report" which shows that the number one ship's service generator was then being repaired in place.

The starboard ship's service generator was again discussed in the Contractor's letter to the Supervisor, serial 100-624, dated February 25, 1974. In that letter, the Contractor confirmed a telephone conversation with Code 1304 in the Supervisor's office concerning repairs to be made to the oil pan of the engine. The Contractor notified the Supervisor that the oil pan, when repairs were completed, carried the same guarantee that existed when the engine was new.

Another letter from the Contractor to the Supervisor, serial 100-625, was issued on February 25, 1974. That letter further discussed the repair of damage to the starboard ship's service generator which resulted from the casualty on February 8, 1974. A report from the supplier of that unit, Stewart & Stevenson Service, Inc., was attached to the Contractor's letter. According to the letter from the equipment supplier, the unit would be repaired in place and covered by the same guarantee as it originally had as a new unit.

A third letter was issued by the Contractor on February 25, 1974 to the Supervisor of Shipbuilding. In that letter, serial 100-626, the Contractor notified the Supervisor that a Problem Identification Report was being submitted in connection with the casualty to the starboard ship's service generator which had been earlier reported to the Supervisor on February 8, 1974 by letter serial 100-611. This letter forwarded a document entitled Problem Identification Report #2 which set forth all of the circumstances surrounding the casualty of the ship's service generator. The Contractor pointed out that no written instructions had been received from the Government although they were required to issue such instructions pursuant to Clause 9 of the General Provisions. Nonetheless, as noted above, the Supervisor had already issued documents showing that he was aware that the unit was in fact being repaired.

On February 28, 1974, the Supervisor issued his monthly report to the Naval Ship Systems Command covering progress under the F-PF-108 contract. In that monthly report, the status of repairs to the starboard ship's service generator were discussed. This is another indication that such repairs were being performed with the full knowledge and concurrence of the Supervisor of Shipbuilding.

On March 4, 1974, by letter serial 540, the Supervisor acknowledged receipt of Problem Identification Report #2. This report concerned the casualty to the starboard ship's service generator diesel engine. The Supervisor said the report and the above noted casualty were being evaluated by his office and other Naval commands. The Supervisor also told the Contractor that, upon completion of such evaluation, the Contractor would be notified. Additionally, the Supervisor said the Contractor would receive written instructions for further action as requested in the Contractor's letter dated February 25, 1974.

On March 19, 1974, proposed FMR-0059 was forwarded to the Contractor by the Supervisor's letter, serial 686. Although the Supervisor's letter said the FMR was issued to provide authority for repairing the damaged starboard ship's service generator diesel engine pursuant to the insurance provisions of the contract, the Supervisor also said that no work was authorized by the letter or its enclosure pending submission of a priced proposal for any adjustment expected to result in event the enclosure was applied. This letter of course was entirely inconsistent with the situation as it then existed. The Contractor, with the full knowledge and consent of the Supervisor, was well into the repair of the damaged unit, and it was just about ready for testing. Nonetheless, the Supervisor was issuing a letter which said that the repair work was not authorized until agreement was reached on contractual implementation of proposed FMR-0059.

On March 29, 1974, the Supervisor issued a "Schedule Adherence Agenda" in preparation for a meeting with the Contractor's representatives. That agenda prepared by the Supervisor stated very clearly that all generators had been paralleled and tested. Accordingly, the Supervisor recognized on March 20 that all of the work required to repair the damaged unit had been completed. This contrasts very sharply with the issuance on March 19 of a proposed contract modification with instructions that no work was authorized pending agreement on such modification.

On April 1, 1974, the Contractor responded to the Supervisor's letter, serial 686, dated March 19, 1974. The Contractor's letter reminded the Supervisor that the casualty to the generator was covered by Clause 9 of the General Provisions, and the Government was responsible for all except the first \$1,000.00 of any resulting losses. The Contractor further pointed out that he had proceeded with the correction and repairs to the damaged generator with the full knowledge and consent of the Contracting Officer. The

Contractor considered that a Constructive Change Order was in effect due to the Government's failure to provide formal documentation to direct the Contractor to proceed with repairs as agreed to by the Supervisor's Inspection Officer. The Government was advised that a proposal for equitable adjustment would be forthcoming for the work.

The Contractor also wrote another letter to the Supervisor of Shipbuilding on April 2, 1974 which discussed several of the then current problems and attempted to obtain the Supervisor's assistance in minimizing the impact on the cost and time required to build F-PF-108. That letter, no serial, was signed by the President of the company. Included in the discussion of the several problems facing the Contractor was the refusal of the Supervisor to promptly pay for the work required to complete the correction and repairs of the casualty to the starboard ship's service generator.

The direct performance cost associated with the work required as discussed in preceding portions of this subsection will be covered under Section V.D.2. of this proposal. In that section, FMR-0059 will be priced out insofar as the directly identifiable performance cost elements and resulting equitable adjustment are concerned. The remaining impact upon the performance of this contract will be priced out in connection with this section.

#### V.C.6.d. Damaged Starboard Astern Clutch

During Builder's Trials of F-PF-108, an accident occurred during the Crash Astern Test on the starboard main engine. During such test, the astern clutch of the starboard reduction gear failed. The Contractor was unable to continue the remaining Sea Trial Tests because of this failure. The Contractor's letter to the Supervisor, serial 100-692, dated May 29, 1974 formally notified the Supervisor of this casualty. However, the representatives from the Supervisor's office were aboard when the failure occurred so that they were advised on the spot. The Contractor confirmed information previously provided to the Supervisor and stated that the total extent of the damage was not known at that time. A survey was then being conducted, and a detailed report would be forwarded to the Supervisor as soon as possible. In this letter, the Contractor asked the Supervisor, pursuant to the insurance provision of the contract, to issue prompt instructions as soon as possible for repair and/or renewals. Additionally, the Contractor said he would notify the Supervisor of the resulting impact of that casualty upon the delivery date of the ship as soon as it could reasonably be ascertained.

Damage to the starboard reduction clutch was again discussed in a letter from the Contractor to the Supervisor, serial 100-695, dated May 30, 1974. Attached to that letter was an early copy of the report being prepared by the Philadelphia Gear Corporation. Results of the preliminary examination and analysis were noted in the attachment. The recommended repairs at that time were expected

to include replacing certain parts and repairing others. The Contractor's letter noted that work was proceeding on these repairs and renewals as listed in the attached letter pursuant to telephone authorization from Lieutenant Commander William P. Tinder and Mr. R. S. Grey on that date. Parts of the clutch were being shipped to Industrial Clutch Company which was located in Wisconsin. The Contractor told the Supervisor that he expected to be notified as to the time needed for repairs to those units after they had been received at the plant and inspected. The Contractor also said he would notify the Supervisor as soon as possible in that regard. Additionally, the Contractor advised the Supervisor that he did not agree with all elements of the preliminary report from the Philadelphia Gear Corporation, but he had not been able to contact their representative for further discussion. According to the letter, the Contractor expected the Philadelphia Gear representative to be at his plant for reassembly of the clutch, and the matter would be cleared up at that time. As noted in the Contractor's earlier letter on this subject, repairs to this unit were considered by the Contractor to be covered under the insurance provisions of the contract, and the Supervisor was so notified in this letter.

On May 31, 1974, the Supervisor submitted his monthly report to the Naval Ship Systems Command covering progress on the F-PF-108. A discussion was included in that report concerning the failure of the starboard astern clutch. Such discussion confirms that the Supervisor was fully aware of the Contractor's actions in this matter.

On June 5, 1974, the Supervisor wrote a letter to the Commander, Naval Material Command, Contract Insurance Branch, which discussed the starboard reduction gear clutch failure, and the Contractor's insurance claim for such failure. The Supervisor's letter, serial 1298, said the Supervisor had determined that repair of the clutch would cost an estimated \$18,000.00. Attached to the letter to the Commander, Naval Material Command, were copies of the Contractor's letter, serial 100-692, of May 29, 1974 and a SupShip 5 Supervisory Ship Surveyor Report dated May 31, 1974. The final paragraph of the Supervisor's letter said: "A determination of responsibility in accordance with Section 16-3.3(c) of Reference (a) (meaning the Shipbuilding Acquisition Contract Administration Manual) is requested as soon as possible in order that delay in delivery will be kept to a minimum. If this casualty is determined to be Government-responsibility, authority to issue an FMR to effect the necessary repairs is requested." Here again, the Supervisor was fully aware of all of the work which was then going on, and his representatives, including the Contracting Officer, had concurred in such repairs. Nonetheless, this letter indicated that a decision was still pending, and that work had not in fact been authorized as of that date.

On June 5, 1974, the Contractor wrote a letter to the Supervisor, no serial, which discussed additional sea trials for F-PF-108. That letter is more fully discussed and described in the following section, V.C.7. However, it included information

pertinent to the subject at hand. The Supervisor had notified the Contractor that the trials being performed when the clutch failed were considered to be unacceptable. The Supervisor was insisting that additional trials be conducted by the Supervisor at his expense. In that letter dated June 5, 1974, the Contractor stated numerous reasons why the additional trials were not his responsibility. Included in the discussion of reasons for a further trial was the failure of the starboard main drive clutch. The Contractor pointed out that, with regard to this clutch, the failure and all increased cost resulting therefrom, less the deductible, were covered by the insurance provisions of the contract. The Contractor further notified the Supervisor in this letter that a proposal for an equitable adjustment for all the increased cost and time resulting from the additional at-sea period required by the Government would be forthcoming as soon as practicable.

Damage to the astern clutch was further discussed in the Supervisor's letter to the Contractor, serial 1323, dated June 10, 1974. The Supervisor said: "You are directed to proceed with repairs and renewals to the damaged astern clutch of the starboard reduction gear, as listed in your letter, serial 100-695, of 30 May 1974. This letter confirms telephone communication of 30 May 1974 between your Mr. J. S. Hamlin and Mr. R. S. Grey, SupShip 5."

On June 13, 1974, the Supervisor wrote two letters to the Contractor, both bearing serial 1370. In one letter, approximately 37 representatives from the Supervisor's office were listed who would ride the ship during the second sea trial required by the Supervisor which was then planned for June 19, 1974. In the second letter with the same serial number, the Supervisor discussed the above direction to carry out the repairs to the clutch. The Supervisor said: "With respect to the main drive clutch, your firm was directed to proceed, as stated in Reference (d) meaning (SupShip 5 letter serial 1323 dated June 10, 1974), with the repairs as outlined in your letter, serial 100-695. This direction was for the purpose of expediency pending a determination of responsibility from the Insurance Branch, Naval Material Command. Submission of a proposal from your firm for this repair will be requested, if appropriate, based on the findings of the Insurance Branch."

On June 19, 1974, the Supervisor forwarded a proposed contract modification AO43 which would have required the Contractor to correct damage to the starboard clutch which had failed during the earlier trials without a change in the delivery date of the ship. Such a proposed modification further provided that such correction would be without prejudice to the rights of the Contractor or the Government under the contract. Since the Contractor considered that he was fully entitled to an equitable adjustment in the contract delivery schedule, he refused to sign such proposed amendment because it would have in fact taken away a contract right.

On June 30, 1974, the Supervisor's regular monthly report

to the Naval Ship Systems Command states that the ship performed satisfactorily during Builder's Trials on June 19, 1974. Such report confirms that the repaired starboard astern clutch was then satisfactory.

The Contractor remains entitled to an equitable adjustment for the time and cost required to correct this damaged item pursuant to the insurance provisions of the contract.

#### V.C.6.e. Conclusion

All of the matters described in the preceding portions of this section occurred without the fault of the Contractor. They were accidental in nature and were covered by the provisions of Clause 9 of the General Provisions of the contract. Such clause, as cited at the beginning of this section, clearly entitled the Contractor to an equitable adjustment pursuant to the "Changes" Clause of the contract for all impacts upon the performance of this contract engendered by these failures.

As of this writing, the Government has not formally acknowledged responsibility for any of the added work and time required to overcome these problems. However, the documentation cited in the preceding portions of this section clearly demonstrate that the Government constructively ordered the Contractor to correct the damages and overcome these defects while refusing to grant an extension in the period of contract performance. Such action by the Government not only entitles the Contractor to an equitable adjustment for the time and cost required to correct the failed items, but the added cost of acceleration required to minimize the construction period of the ship. By denying the Contractor his right to an equitable adjustment in the contract delivery schedule, a constructive order to accelerate resulted. That matter is discussed further in Section V.F. of this proposal.

As noted above in this section, the Contractor has not received any formal documentation from the Government which accepts responsibility for the matters discussed herein. To the extent that proposed contract modifications have been issued which would accept any part of the responsibility, such documents are priced out under Section V.D.2. of this proposal. Included in such pricing will be direct performance costs of work covered by proposed FMR-0082 and proposed FMR-0059. The remaining equitable adjustments for the other items will be priced out under this section, along with the total impact on the performance of the contract for F-PF-108 in the pricing documentation for this section.

#### ~~V.C.7. Additional Trials~~

~~Section 9080-1 of the Specifications sets forth require-~~



June 5, 1978

Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Virginia 23705

Attention: Mr. R. S. Gray  
Contract & Materials Dept.

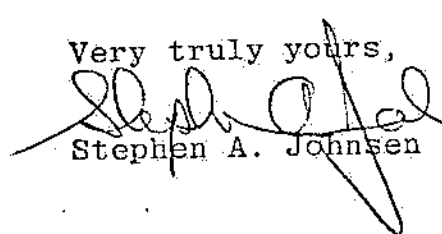
RE: Norfolk Shipbuilding & Drydock Corp  
Contract #N62678-70-C-0020  
8/30/69

Gentlemen:

This letter is formal advice that effective May 24, 1978, noon New York time, coverage for Ship Repairer's Legal Liability has been placed by this agency through Sedgwick Forbes Marine, Ltd. of London for a period of one year.

We will forward to you under separate cover the required Cover Note and copy of policy as soon as they become available to us.

Very truly yours,

  
Stephen A. Johnson

SAJ:ee

Copy to: R. B. Richardson, Jr.  
Norfolk Shipbuilding & Drydock Corp.

**Burroughs &  
Watson, Inc.**  
INSURANCE,  
SURPLUS LINES  
BROKERS

P.O. BOX 3588  
NORFOLK, VIRGINIA 23514  
1335 UNITED VIRGINIA  
BANK BUILDING  
(804) 627-9243

August 24, 1977

U.S. Army Engineers  
Savannah District  
200 East St. Julian Street  
Savannah, Georgia


Re: Norfolk Shipbuilding &  
Drydock Corp.  
Contract DACW-21-68-C-0020  
October 3, 1967

Gentlemen;

We are enclosing herewith Duplicate Original Cover Note providing Ship Repairers Legal Liability Coverage for a twelve-month period commencing May 24, 1977.

A duplicate set of policies shall be forwarded to replace these cover notes as soon as they are received from the London Underwriters.

Sincerely,

  
Marion Hockaday

MH/mh  
encl.

cc: R. B. Richardson, Jr.  
Norfolk shipbuilding & Drydock Corp.

April 18, 1978

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Policy No. GL196252  
4-22-77/78

Gentlemen:

The above Policy which expires on April 22, 1978 has been extended to expire May 24, 1978. The Midland Insurance Company is in the process of issuing endorsement extending this coverage. Prior to the new expiration of May 24, 1978, you will be getting renewal Certificate renewing this coverage from 5-24-78 - 5-24-79.

We trust you will accept this letter as evidence of the continuation of this Policy until such time as you receive this renewal Certificate.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.  
Mrs. Betty Ivey  
Commercial Lines Coordinator

bi



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

April 18, 1978

Department of the Navy  
Military Sealift Command, Atlantic  
58th St. & First Ave.  
Brooklyn, New York 11250

VIA

Office of Naval Material  
Insurance Branch  
Washington, D.C.

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Policy No. GL196252  
4-22-77/78  
Contract #N00033-70-C0038 (8-30-69)

Gentlemen:

The above Policy which expires on April 22, 1978 has been extended to expire May 24, 1978. The Midland Insurance Company is in the process of issuing endorsement extending this coverage. Prior to the new expiration of May 24, 1978, you will be getting renewal Certificate renewing this coverage from 5-24-78 - 5-24-79.

We trust you will accept this letter as evidence of the continuation of this Policy until such time as you receive this renewal Certificate.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.  
Mrs. Betty Ivey  
Commercial Lines Coordinator

bi

COMPETENT SERVICE...



SUPERVISOR OF SHIPBUILDING, CONVERSION AND REPAIR, USN  
P. O. Box 215  
PORTSMOUTH, VIRGINIA 23705

In reply refer to:

4330  
1430E/BLB(jms)  
Ser: 1768

26 MAY 1977

From: Supervisor of Shipbuilding, Conversion and Repair, USN,  
Portsmouth, Virginia  
To: Chief of Naval Material (MAT 024N)

Subj: Forwarding of Contractual Documents

- Encl: (1) Copy of Contract N62678-77-C-0041  
(2) Copy of Ship Repairer's Legal Liability Policy for  
Phoenix Marine Corporation  
(3) Certificate for General Liability - Phoenix Marine Corp.  
(4) Certificate for Workmen's Compensation - Phoenix Marine  
Corp.  
(5) Certificate for General Liability - Norfolk Shipbuilding  
and Drydock Corp.

1. Enclosures (1) through (5) are forwarded for your records.

  
D. A. REED  
By direction



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 • 539-3421  
April 12, 1977

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360

VIA

Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

Attention: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock Corp.  
General Liability  
Certificate of Insurance

Dear Mr. Gray:

We are attaching two copies of Certificate of Insurance for the above captioned insured under Midland Insurance Company Policy No. G1196252 for the period 4-22-77/78 which replaces the one you now hold.

We trust you will find the enclosed in order.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.

COMPETENT SERVICE

Mrs. Betty Ivey  
Commercial Lines Coordinator

bi encls.



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

April 12, 1977

Department of the Navy  
Military Sealift Command, Atlantic  
58th St. & First Ave.  
Brooklyn, New York 11250

VIA

Office of Naval Material  
Insurance Branch  
Washington, D. C.

Re: Norfolk Shipbuilding & Drydock Corp.  
General Liability  
Certificate of Insurance

Gentlemen:

We are attaching Certificate of Insurance for the above captioned insured under Midland Insurance Company Policy No. GL 196252 for the period 4-22-77/78 which replaces the one you now hold.

We trust you will find this in order.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.

Mrs. Betty Ivey

.. COMPETENT SERVICE ..

Commercial Lines Coordinator

bi enc.



*Nansmond Insurance Agency, Inc.*

INSURANCE

WASHINGTON, AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

March 10, 1977

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11350

VIA Office of Naval Material  
Insurance Branch  
Washington, D. C.

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Insurance Company  
Workmen's Compensation Insurance  
Policy WC 330 333 - Eff. 3/1/77  
Contract No. 00033-70-C0038 - Dated 8/30/69

Gentlemen:

Attached is Certificate of Insurance under the captioned policy which is  
in renewal of present Certificate you are holding.

Very truly yours,

Nansmond Insurance Agency, Inc.  
(Mrs.) Isabel M. Boze  
Senior Commercial Lines Counselor

B  
Enc.

.. COMPETENT SERVICE ..



*Nantemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELDON • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

March 10, 1977

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360

VIA: Supervisor of Shipbuilding  
Conversion and Repairs, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va. 23705

Attention: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Insurance Company  
Workmen's Compensation Insurance  
Policy WC 330 333 - Eff. 3/1/77  
Contract No. N62678-76-C-0036  
Dated 7/14/75

Gentlemen:

Attached is Certificate of Insurance in duplicate under the captioned policy which is in renewal of present Certificate you are holding.

Very truly yours,

*Isabel M. Boze*  
Nantemond Insurance Agency, Inc.  
(Mrs.) Isabel M. Boze

..COMPETENT SERVICE..

Senior Commercial Lines Counselor

B



*Nansmond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

February 26, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360  
VIA: Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Virginia 23705

Attn: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock  
Corp. - Midland Insurance Co.  
Workmen's Compensation Insurance  
Policy WC 330306 - Exp. 2/3/76  
Contract #N62678-75-C-0034  
7/17/74  
Contract #N62678-70-C-0020  
8/30/69

Dear Mr. Gray:

This is to advise that the company is in process of issuing renewal of the above policy and we hope to have Certificate of Insurance to you shortly; meanwhile, it will be appreciated if you will accept this letter as evidence of continuing coverage.

Very truly yours,

*Isabel M. Boze*

Nansmond Insurance Agency, Inc.  
Isabel M. Boze *by SC*  
Commercial Lines Coordinator

IB/sc

...COMPETENT SERVICE...



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

August 23, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360  
Via Supervisor of Shipbuilding  
Conversion & Repair, USN  
Fifth Naval District  
Box 215  
Portsmouth, Va. 23705  
ATTN: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock Corp.  
Comprehensive General Liability  
Midland Policy GL 190179  
Contract N62678-75-C-0034 &  
N62678-70-C-0020

Dear Mr. Gray:

Enclosed please find Certificate of Insurance and a copy of the policy which we trust you will find in order.

Very truly yours,

*Isabel Boze*

NANSEMOND INSURANCE AGENCY, INC.

Isabel Boze

Commercial Lines Coordinator

IB/lsl

Enc.

.. COMPETENT SERVICE ..

Enclosure ( 1 )

**BURROUGHS & WATSON, INC.**

INSURANCE—SURPLUS LINES BROKERS

1335 UNITED VIRGINIA BANK BUILDING

P. O. BOX 3588

NORFOLK, VIRGINIA 23514

BENJ. H. BURROUGHS

(08961007)

J. POWELL WATSON, JR.

CABLE ADDRESS

BURWAT

TELEPHONE (804) 627-0243

October 21, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360  
VIA: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Virginia 23705

Attn: Mr. R. S. Gray  
Contract & Materials Dept.

Re: Norfolk Shipbuilding & Drydock Corp.  
Contract N62678-70-C-0020  
August 30, 1969

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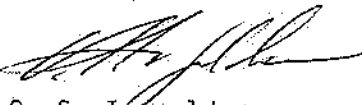
Gentlemen:

We refer to our binder letter of May 27, 1976 and now enclose Duplicate Original Cover Note providing Ship Repairers Legal Liability coverage for a twelve month period commencing May 24, 1976.

As per our past procedure, a duplicate set of policies shall be forwarded to replace these Cover Notes as soon as they are received from the London underwriters.

Yours very truly,

BURROUGHS & WATSON, INC.



O. S. Ingvaldsen

OSI:meh  
Encl.

Cc: Mr. R. B. Richardson, Jr.  
Vice President of Finance & Treasurer  
Norfolk Shipbuilding & Drydock Corp.  
P. O. Box 2100  
Norfolk, Virginia 23501

**BURROUGHS & WATSON, INC.**

**INSURANCE — SURPLUS LINES BROKERS**

**1335 UNITED VIRGINIA BANK BUILDING**

**5 MAIN PLAZA EAST**

**NORFOLK, VIRGINIA 23510**

**CABLE ADDRESS**

**BURWAT**

**TELEPHONE (804) 627-9243**

**BENJ. B. BURROUGHS**  
**(1800-1007)**

**J. POWELL WATSON, JR.**

May 27, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360  
VIA: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Virginia 23705  
Attn: Mr. R. S. Gray  
Contract & Materials Dept.

Re: Norfolk Shipbuilding & Drydock Corp.  
Contract N62678-70-C-0020  
August 30, 1969

---

Gentlemen:

We will thank you to accept this letter as evidence of binder for the renewal of the above assured's Ship Repairers Legal Liability Insurance effective May 24, 1976 for the same terms and conditions as expiring.

Renewal Cover Notes and Policies will be forwarded as soon as received from underwriters.

Yours very truly,

BURROUGHS & WATSON, INC.

  
O. S. Ingvaldsen

OSI/meh

Cc: Mr. R. B. Richardson, Jr.  
Vice President of Finance & Treasurer  
Norfolk Shipbuilding & Drydock Corp.  
P. O. Box 2100  
Norfolk, Virginia 23501



*Nantemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

April 21, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360  
Via Supervisor of Shipbuilding  
Conversion & Repair, USN  
Fifth Naval District  
Box 215, Portsmouth, Va. 23705  
Attn: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock Corporation  
Comprehensive General Liability Insurance  
Water-craft Protection & Indemnity (Liability)  
Contract No. N62678-75-C-0034 7/17/74 & N62678-70-C0020 8/30/69

Gentlemen:

The General Liability coverage presently afforded under Foremost Insurance Company Policy #GAL-672-7175512 expires April 22, 1976 and has been renewed on the same basis as presently written, with the exception of Water-craft Liability, under Midland Insurance Company Policy # GL190179. Water-craft Liability (Protection and Indemnity) coverage with a limit of \$1,000,000.00, subject to \$5,000.00 deductible average, covering on owned vessels is provided as of April 22, 1976 in Maryland Casualty Company Policy #MC1765.

Both policies include cancellation provision required by your contract and it would be appreciated if you would accept this letter as evidence of coverage until such time as proper certificate can be furnished you.

Very truly yours,

*Jack W. Webb (lyt)*

NANTEMOND INSURANCE AGENCY, INC.  
Jack W. Webb, Pres.

JWW/bi

COMPETENT SERVICE

Enclosure (1)



*Nantsemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA, 23434 • PHONE 804 - 539-3421

February 26, 1976

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11250  
Via Office of Naval Material  
Insurance Branch  
Washington, D. C.

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Insurance Company  
Workmen's Compensation Insurance  
Policy WC 330306-Expiration 2/3/76  
Contract #N00033-70-C0038 - 8/30/69

Gentlemen:

This is to advise that the Company is in process of issuing renewal of the above policy and we hope to have Certificate of Insurance to you shortly; meanwhile, it will be appreciated if you will accept this letter as evidence of continuing coverage.

Very truly yours,

*Isabel M. Boze*

Nantsemond Insurance Agency, Inc.  
Isabel M. Boze by *I.C.*  
Commercial Lines Coordinator

B

.. COMPETENT SERVICE ..



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE B04 - 539-3421

March 23, 1976

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360  
VIA Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Virginia 23705  
Attention: Mr. R. S. Gray

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Insurance Company  
Workmen's Compensation Insurance  
Policy WS 330324 - Eff. 2/3/76  
Contract No. N62678-75-C-0034 - 7/17/74  
Contract No. N 62678-70-C-0020 - 8/30/69

Dear Mr. Gray:

Following our letter of February 26, 1976, we are enclosing two copies of Certificate of Insurance under the above policy which we trust you will find in order.

Very truly yours,

Nansemond Insurance Agency, Inc.

Isabel M. Boze

Commercial Lines Coordinator

B

Encs.

.. COMPETENT SERVICE ..

**DUPLICATE ORIGINAL**

**COPY**

**HULL**

In all communications please quote  
the following reference

871

2703294

*The Institute of London Underwriters*  
**Companies Combined Policy.**



This Policy is subscribed by Insurance Companies  
Members of The Institute of London Underwriters,  
40, Line Street,  
London, E.C.3.

**NORFOLK SHIPBUILDING AND  
DRYDOCK CORPORATION.**

**12 mos @ \$200 24.5.75. N.Y.T.**

**SHIP REPAIRERS' LIABILITY**

**\$2,524.48 INTEREST.**

**BURROUGHS & WATSON, INCORPORATED  
INSURANCE**

1335 UNITED VIRGINIA BANK BUILDING  
5 MAIN PLAZA EAST NORFOLK, VIRGINIA 23510  
Phone: 627-9243

193

No. 270329A

I.L.U. Policy No.

H75 22579 13 AUG  
H75 22580 13 AUG

# The Institute of London Underwriters.

COPY.



## Companies Combined Policy

£ 32.524% part of 100%  
Interest.

**Be it known that** NORFOLK SHIPBUILDING AND DRYDOCK CORPORATION.

as well in their own Name, as for and in the Name and Names of all and every other Person or Persons to whom the same doth, may, or shall appertain, in part or in all, doth make Assurance, and cause themselves and them and every of them, to be assured, lost or not lost, at and from

and for and during the space of TWELVE CALENDAR MONTHS  
commencing at NOON on the 24th May, 1975 and ending at  
NOON on the 24th May, 1976 NEW YORK TIME.

upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the good Ship or Vessel called the

whereof is Master, under God, for this present Voyage, or whosoever else shall go for Master in the said Ship, or by whatsoever other Name or Names the said Ship, or the Master thereof, is or shall be named or called, beginning the Adventure upon the said Ship, &c., as above and shall so continue and endure during her Abode there; and further, until the said Ship, with all her Ordnance, Tackle, Apparel, &c., shall be arrived at as above and until she hath moored at Anchor in good Safety; and it shall be lawful for the said Ship, &c., in this Voyage to proceed and sail to and touch and stay at any Ports or Places whatsoever without Prejudice to this Assurance. The said Ship, &c., for so much as concerns the Assured by Agreement between the Assured and Assurers in this Policy, are and shall be valued at

32.524% part of 100% Interest in a Limit of Liability of U.S.\$1,000,000 (plus 1% Collecting Commission) any one accident covering SHIP REPAIRERS' LIABILITY in respect of NORFOLK SHIPBUILDING AND DRYDOCK CORPORATION as per wording attached.

Subject to Conditions as attached.

Touching the Adventures and Perils which the Assurers are contented to bear and do take upon themselves in this Voyage, they are, of the Seas, Men-of-War, Fire, Enginies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People, of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses and Misfortunes, that have or shall come to the Hurt, Detriment or Damage of the subject matter of this Assurance; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard and Recovery of the said subject matter of Assurance without Prejudice to this Assurance; to the Charges whereof the Assurers will contribute, each company rateably according to the amount of their respective subscriptions hereto. And it is especially declared and agreed that no acts of the Assurer or Assured in recovering, saving or preserving the property Assured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Assurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

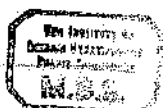
Now this Policy witnesseth that we, the Assurers, the Companies whose names are set out overleaf, take upon ourselves the burden of this Assurance each of us to the extent of the amount underwritten by us respectively, and promise and bind ourselves, each Company for itself only and not the one for the other and in respect only of the due proportion of each Company, to the Assured, their Executors, Administrators and Assigns for the true performance and fulfilment of the Contract contained in this Policy in consideration of the person or persons effecting this Policy promising to pay a premium at and after the Rate of

32.524% of U.S.\$37,875 in full (being Minimum and Deposit premium adjustable at 22.25% on gross receipts.)

IN WITNESS whereof, we the Assurers have subscribed our names and sums assured in London, 26th June, 1975.

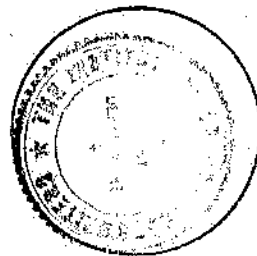
as hereinafter appears, and the Manager and Secretary of The Institute of London Underwriters has subscribed his name on behalf of each of us.

N.B.—The Ship and Freight are warranted free from Average under Three Pounds per Cent. unless general, or the Ship be stranded, sunk or burnt.



Signed

Manager and Secretary,  
The Institute of London Underwriters.



NOTE.—This Policy must bear the seal of The Institute of London Underwriters Policy Department.

SHIPREPAIRERS' LIABILITY CLAUSES

1. Name of Assured NORFOLK SHIPBUILDING AND DRY DOCK CORPORATION
2. Location of Premises &/or Yard NORFOLK, VIRGINIA
3. Period 12 months @ NOON, 24th MAY, 1975 NEW YORK TIME
4. Premium The minimum and deposit premium shall be \$37,875 subject to adjustment at expiry of the period of this insurance at 29<sup>1</sup>/<sub>4</sub>% on gross charges of the Assured plus 1% for Collecting Commissions coverage, such adjustment to be paid within 90 days.
5. Gross Charges Gross charges shall be defined as total charges (collected or uncollected) made by the Assured as shiprepairers during the period of this insurance. No deduction shall be made from the gross charges in respect of any sub-contracted work.
6. Coverage

This insurance covers the legal liability of the Assured as shiprepairers for :

  - (i) loss of or damage if any to any vessel or craft which is in the care, custody or control of the Assured for the purpose of being worked upon and whilst laid up awaiting repair or redelivery including shifting and moving between the various plants and yards of the Assured, and including trial trips but not exceeding 100 miles from the various plants and yards of the Assured.
  - (ii) loss of or damage to any other vessel or craft upon which the Assured is working except vessels or craft at sea other than whilst on trial trips.
  - (iii) loss of or damage to cargo and/or freight and/or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above.
  - (iv) loss of or damage to machinery or equipment of any vessel or craft, whilst such machinery or equipment is removed from such vessel or craft and is in the care, custody or control of the Assured for the purpose of being worked upon, including whilst in transit between such vessel or craft and the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.
  - (v) damages resulting from :
    - (a) loss of or damage to property (other than that referred to in (i), (ii), (iii) or (iv) above
    - (b) loss of life or bodily injury to persons
  - (vi) removal of wreck.

} occurring in the course of and arising from the shiprepairing operations of the Assured.

- (vii) To vessels towed by the Assured's tugs. Although such vessels are not under contract for repair and for conversion to the Assured, subject to prior notice and at an additional premium and deductible if required by Insurers.
- Where such liability results from negligence of the Assured, his servants, agents or sub-contractors occurring during the period of this insurance.
7. Faulty Design This insurance shall in no case be deemed to extend to cover the Assured's liability for :
- (a) condemnation or rejection of any part by reason of faulty design.
  - (b) any loss or expense arising from such condemnation or rejection.
  - (c) the cost or expense of repairing, modifying or replacing any part (or for any loss or expense arising therefrom) by reason of faulty design.
8. Limit of Liability The limit of liability under this insurance, in respect of any one accident or series of accidents arising out of one occurrence, shall be \$1,000,000 , in addition Underwriters will bear costs, charges and expenses (as provided for in Clause 10 below) up to a similar amount.
- It is specially understood and agreed that this Policy shall not be reduced by any loss paid or unpaid hereunder and it is always to apply in the full amount hereof to each and every vessel or craft becoming at risk hereunder, but notwithstanding anything contained herein to the contrary the liability of these Assurers is limited to the amount insured hereunder in respect of any one vessel for any one loss or occurrence at any one time.
9. Deductible This insurance shall only pay the excess of \$25,000 in respect of the Assured's ultimate nett loss resulting from any one accident or series of accidents arising out of one occurrence.
10. Costs (i) In respect of any claim, which may become the subject of indemnity hereunder, this insurance shall also cover (subject to Clause 8 above) (a) costs, charges and expenses which the Assured may, with the written consent of the Underwriters hereon, incur and (b) costs awarded against the Assured.
- In the event of this insurance being one layer of a series of layers of insurance, the amount recoverable hereunder in respect of such costs, charges and expenses shall not exceed the proportion of such costs, charges and expenses that the damages recoverable under this insurance bear to the total amount of damages arising from such claims or proceedings.
- (ii) In Cases where :
- (a) the parties claiming against the Assured fail in, or withdraw their action, or,
  - (b) the amount of any compromise or award is such that there is no claim hereon or the claim hereon is less than the amount stated in any Undertaking or formal

the lawyers having the conduct of the investigation and defence shall apportion the costs, charges and expenses incurred on an equitable basis between the parties concerned including the Assured and Underwriters (if any) concerned on other layers having due regard to the amount of the claim, the amount of any award or settlement and the amounts severally at risk by the parties concerned, taking into account also any Undertaking or formal notice given by any of the interested parties as to the conduct of the defence and any settlement. In the event of any disagreement with the apportionment, the matter shall be referred to arbitration by an independent arbitrator to be agreed between the parties concerned.

#### EXCLUSIONS

Notwithstanding anything contained herein to the contrary, this insurance shall not cover any liability :

- (i) in respect of property
  - (a) owned by, used by, or leased to the Assured.
  - (b) in the care, custody or control of the Assured (other than property referred to in Clause 6 (i), (iii) or (iv) above).
- (ii) being collision liability, towage liability or liability arising out of the navigation of any vessel or craft owned or operated by the Assured or any affiliated or subsidiary concern or party other than in Clause 6 (vii) above.
- (iii) in respect of or arising in connection with any vessel or craft accepted by the Assured solely to be stored.
- (iv) in respect of or arising in connection with an oil tank vessel or craft, or any vessel or craft previously engaged in carrying explosive or inflammable liquids or gases or arising in connection with work on or near any fuel tank or pipeline of an oil burning vessel or craft unless the rules, regulations and requirements of the port or governmental authorities at the place where the work is being carried out have been complied with. Should a gas free certificate not be required by the port or governmental authorities then such a certificate must be obtained from a chemist approved by Lloyd's Agent prior to the commencement of work.
- (v) in respect of or arising in connection with any new vessel or craft being built by the Assured.
- (vi) for payments under penalty clauses, detention, demurrage, loss of time, loss of freight, loss of charter, loss of market or any other consequential loss whatsoever, in respect of property referred to in Clause 6 (i), (ii), (iii) or (iv) above.
- (vii) for any claim arising directly or indirectly under Workmen's Compensation or Employers' liability Acts or any other statutory or Common Law Liability in respect of loss of life of, bodily injury to or illness of any workman or other person employed in any capacity whatsoever by the Assured, his agents or subcontractors when such loss of life, bodily injury or illness arises out of or in the course of the employment of such workman

- (viii) arising from the existence, maintenance, or use of  
(a) any licensed truck, automobile or other mechanically propelled vehicle.  
(b) any unlicensed truck, automobile or other mechanically propelled vehicle outside the premises or yard of the Assured.
- (ix) in respect of loss or damage specified in Clause 6 (i), (ii), (iii) or (iv) above unless discovered and reported in writing to Underwriters within 180 days of the delivery to Owners or within 180 days after the work is completed by the Assured, whichever may first occur.
- (x) which is or but for the existence of this insurance would be covered under any other indemnity or insurance inuring to the benefit of the Assured, except for any excess of the amount which would be recoverable under such other indemnity or insurance had this insurance not been effected, but only to the extent that the excess amount is covered by this insurance.
- (xi) arising from any strike, lock-out, labour disturbance, riot, civil commotion or act of any person taking part in any such occurrence.
- (xii) directly or indirectly occasioned by, happening through or in consequence of :  
(a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or piracy.  
(b) destruction of or damage to property by or under the order of any government or public or local authority.
- (xiii) directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

#### GENERAL CONDITIONS

##### Inspection of Books

The Assured shall keep a complete and accurate record of all gross charges for operations covered hereunder and shall make these records available to Underwriters upon request.

##### Notice of Claim

In the event of any occurrence which may result in a claim under this insurance the Assured shall give prompt written notice to the Underwriters hereon, shall forward every summons or process (or copies thereof) served upon the Assured and shall keep Underwriters fully advised.

##### Claim Control

Underwriters shall at any time be entitled (but not obliged) to control or take over the conduct of the investigation defence and settlement of any claims suit or proceeding against the Assured which is or is likely to be the subject of indemnity under this insurance.

In the event of this insurance being one layer of a series of layers of insurance and more than one layer being likely to be involved in a particular occurrence, the Assured shall endeavour to obtain the agreement of the insurers of each affected payer as to the manner in which such control or taking over shall be effected and the costs, charges and expenses incurred borne.

If Underwriters hereon consider that a claim made against the Assured should not be contested then Underwriters hereon shall be entitled at any time to give an undertaking to the Assured to indemnify him for a sum equivalent to the limit of liability stipulated in Clause 8 above or such lesser sum as would have been payable under this insurance had the claim been settled at that time. Thereupon Underwriters hereon shall relinquish any control and conduct of the investigation or defence of the claim and shall thereafter have no further liability in respect of the claim or for costs, charges or expenses incurred subsequent to the giving of the undertaking. Where however the claim hereon is thereafter settled for a sum less than the amount referred to above, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

In the event of this insurance being one layer of a series of layers of insurance then if Underwriters hereon wish to exercise their rights under this condition and at such time the insurers of another layer or layers reject the settlement then possible, Underwriters hereon shall be entitled to give formal notice to the Assured that they consider the claim should be settled at that time. Thereafter Underwriters hereon shall have no liability for any costs, charges or expenses incurred subsequent to the giving of such notice. Where however the claim hereon is thereafter settled for a sum less than the amount at which it was capable of being settled at the date when such notice was given, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

Subrogation

In the event of any claim or loss being paid under this insurance Underwriters shall be subrogated to all rights and remedies of the Assured. The Assured shall not admit liability nor give any waiver of subrogation without the express permission of the Underwriters.

Reconstruction  
or Conversion

It is a condition of this insurance that before work commences involving the reconstruction or conversion of any vessel or craft which entails a change in dimension tonnage or type, the Assured must advise Underwriters and the coverage hereon in respect of such vessel or craft shall depend on the payment by the Assured of such additional premium as may be required by Underwriters.

Due Diligence

It is the duty of the Assured and his agents at all times to take such measures as may be reasonable for the purposes of averting or minimising a loss.

Assignment

It is agreed that no assignment of or interest in this insurance or in any moneys which may be or may become payable hereunder is to be binding on or recognised by Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on this insurance and the insurance with such endorsement is produced before payment of any claim or return of premium hereunder; but nothing in this condition is to have effect as an agreement by Underwriters to a sale or transfer to new management.

Cancellation

This insurance may be cancelled by either party on giving the other 30 days notice in writing.

In the event of Underwriters giving notice then the words "minimum and" in Clause 4 above shall be deemed to be deleted.

Insolvency or  
Bankruptcy

Insolvency or bankruptcy of the Assured shall not act to debar recovery hereunder and these Assurers agree that in the event of the inability of the Assured to pay liability arising from perils insured against hereunder, to pay such claims or parts thereof for which this policy may be liable direct to the claimant or order.

1. This insurance is also extended to cover liability assumed by or imposed on the Assured :

by the following clause when appearing in the contract for work in respect of any vessel :

"While the vessel is undergoing repairs and alterations at the contractors yard or wharf, the contractor shall be held responsible for and make good at his expense any and all damage of whatsoever nature and/or loss to the vessel and/or its equipment and/or movable stores, except where contractor can affirmatively show that such loss or damage is due to causes beyond contractor's control and which by the exercise of reasonable care he was unable to prevent".

However contracts containing the above clause or any other contractor's liability clause held covered subject to prior notice and submission to Underwriters at additional premium if required.

2. This insurance also covers the legal liability of the Assured from operations of their floating equipment (excluding Drydocks and Marine Railways) whether operated for their own account or when loaned, leased or chartered to others but only in respect of claims recoverable under Clause 6 (Insuring Clause).
3. Notwithstanding Exclusion (vi) this insurance is extended to cover the legal liability of the Assured for detention and/or loss of freight and/or loss of time of any vessel or craft as a consequence of loss of or damage to such vessel or craft resulting in a claim which is the subject of indemnity under Clause 6 (i), (ii) or (iv) herein but this extension shall not cover any legal liability for detention and/or loss of freight and/or loss of time accepted by the Assured under contract express or implied except to the extent that the Assured is or would be liable for detention and/or loss of freight and/or loss of time independently of any provision in that contract. Subject otherwise to all terms, clauses and conditions of this insurance.
4.
  - i) This insurance shall be extended to cover other repair operations which do not come within the scope of the shiprepairing operations of the Assured.
  - ii) So far as concerns such other repair operations :
    - a) The expressions "shiprepairers" and "shiprepairing" wherever used in this insurance, other than in Clause 5, shall be deemed to include other repair operations of the Assured.
    - b) Clause 6 (iv) of this insurance shall be deemed to be substituted by the following :

loss of or damage to property (other than that referred to in (i), (ii) or (iii) above) which is in the care, custody or control of the Assured for the purpose of being worked upon including whilst in transit to or from the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.

Subject otherwise to all terms, clauses and conditions of this insurance.
5. This insurance shall extend to cover the Assured's liability in respect to a licensed gas freeing chemist employed by them whilst working in yards other than their own and on vessels on moorings and/or in ports in the vicinity of Hampton Roads, subject always to an approved hold harmless

6. It is noted and agreed that Navy Vessels and/or others are occasionally repaired with ammunition not removed from vessel.
7. Notwithstanding the provisions of the "Gas Free" Clause appearing herein, the Assured has permission to drydock or haul a tank vessel to carry out minor repairs where no welding or burning is involved, but subject to the approval of a certified chemist.
8. It is noted and agreed that the use of Steel Analysis projector, Model No. 533 does not prejudice this insurance, and the exclusions contained in Clause (xiii) of the exclusions does not apply.
9. It is noted and agreed that coverage under the Clause 6 (vi) is extended to pay the expenses of the removal of wreck from any place owned, leased or occupied by the Assured arising from the shiprepairing or dockowning operation of the Assured.
10. Notwithstanding anything herein contained to the contrary it is hereby noted and agreed that this insurance is extended to cover the Assureds liability arising from the activities of any employees or person(s) working on behalf of the Assured when on board vessels and/or craft whilst at sea or in any port for the purpose of effecting repairs and/or other work entrusted to the Assured. It is understood that this extension is effective notwithstanding that such employees and/or person(s) may be signed on as members of the vessels/crafts crew. This Clause does not extend to cover such work when undertaken on drilling rig whilst at drilling site which held covered at terms to be agreed prior to inception of risk.

NAVAL CONTRACT ENDORSEMENT

Notwithstanding anything to the contrary contained herein it is hereby noted and agreed that:

1. This insurance shall extend to cover the:
  - (a) liability imposed on or assumed by the Assured under articles 9 (b), 9 (c), 10 (b) and 10 (c) of Master Contracts signed with the United States of America, its instrumentalities or agencies (copies attached hereto) and,
  - (b) Notwithstanding the Non Contribution Clause contained herein this insurance shall not be prejudiced by reason of the Assured being required to effect insurance under the Warship Repair Form and/or Policy of similar intent and/or purpose issued by the following Government Agencies:

Contracting Officer  
U.S. Army Troop Support Command  
Attn: AMSTS-PDD-0  
4300 Goodfellow Blvd.  
St. Louis, Mo. 63120

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street and First Avenue  
Brooklyn, New York, 11250  
Attn. Contracting Officer

Mr. C.R. Fullenkamp, Chief  
Insurance Compliance Branch  
Division of Insurance  
U.S. Department of Commerce  
Maritime Administration  
Washington, D.C.

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C., 20360  
Via: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va., 23705  
Attn. Mr. R.S. Gray  
Contract & Materials Dept.

U.S. Army Engineers  
Norfolk District  
Foot of Front Street  
Norfolk, Virginia

U.S. Army Engineers  
Philadelphia District  
Custom House  
2nd & Chestnut Streets  
Philadelphia, Pennsylvania, 19106

U.S. Army Engineers  
Wilmington District  
308 Custom House  
Wilmington, North Carolina

U.S. Army Engineers  
Savannah District  
200 East St. Julian Street  
Savannah, Georgia

U.S. Army Engineers  
Jacksonville District  
P.O. Box 4970  
Jacksonville, Florida

this insurance fully indemnifying the Assured for any claim which would be recoverable hereunder but for the existence of the said policy or policies.

It is hereby agreed that in the event of cancellation or any material change in this policy adversely affecting the interest of the United States Government in this insurance, thirty days' prior written notice will be given to each of the activities specified in this insurance.

NAVAL CONTRACT ENDORSEMENT

Notwithstanding anything to the contrary contained herein it is hereby noted and agreed that:

1. This insurance shall extend to cover the:
  - (a) Liability imposed on or assumed by the Assured under articles 9 (b), 9 (c), 10 (b) and 10 (c) of Master Contracts signed with the United States of America, its instrumentalities or agencies (copies attached hereto) and,
  - (b) Notwithstanding the Non Contribution Clause contained herein this insurance shall not be prejudiced by reason of the Assured being required to effect insurance under the Warship Repair Form and/or Policy of similar intent and/or purpose issued by the following Government Agencies:

Contracting Officer  
U.S. Army Troop Support Command  
Attn: AMSTS-PDD-0  
4300 Goodfellow Blvd.  
St. Louis, Mo. 63120

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street and First Avenue  
Brooklyn, New York, 11250  
Attn: Contracting Officer

Mr. C.R. Fullenkamp, Chief  
Insurance Compliance Branch  
Division of Insurance  
U.S. Department of Commerce  
Maritime Administration  
Washington, D.C.

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C., 20360  
Via: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va., 23705  
Attn. Mr. R.S. Gray  
Contract & Materials Dept.

U.S. Army Engineers  
Norfolk District  
Foot of Front Street  
Norfolk, Virginia

U.S. Army Engineers  
Philadelphia District  
Custom House  
2nd & Chestnut Streets  
Philadelphia, Pennsylvania, 19106

U.S. Army Engineers  
Wilmington District  
308 Custom House  
Wilmington, North Carolina

U.S. Army Engineers  
Savannah District  
200 East St. Julian Street  
Savannah, Georgia

U.S. Army Engineers  
Jacksonville District  
P.O. Box 4970  
Jacksonville, Florida

this insurance fully indemnifying the Assured for any claim which would be recoverable hereunder but for the existence of the said policy or policies.

It is hereby agreed that in the event of cancellation or any material change in this policy adversely affecting the interest of the United States Government in this insurance, thirty days' prior written notice will be given to each of the activities specified in this insurance.

ENDORSEMENT (Cont'd)

The following is a copy of the Articles 9 (b) 9 (c) the Master Lump Sum Repair Contract (MARAD Lumpsumrep) and Articles 10 (b) 10 (c) the Department of Defence Master Contract for Repair and Alteration of Vessels (DD ASPR Form No: 731) as stated in Page 141 of the attached wording.

Article 9

b. "The Contractor does indemnify and hold harmless the United States, its agencies and instrumentalities, and the vessel and its owners against all suits, actions, claims, costs or demands (including without limitation, suits, actions, claims, costs or demands for death, personal injury, and property damage, but excluding such actions, claims, costs or demands to the extent that such suits claims, costs or demands arise or result from the fault of the United States, its agencies and instrumentalities or the vessel owners) to which the United States, its agencies and instrumentalities or vessel, or its owners may be subject or put by reason of damage or injury (including death) to the property or person of any one other than the United States, its agencies and instrumentalities, or the vessel or its owners arising or resulting from the fault, negligence, wrongful act or omission of the Contractor, or any sub-contractor, its or their servants, agents or employees arising or growing out of the performance of work under a job order: provided, that the Contractor's obligation under this paragraph (b) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel and shall not extend to suits, actions, claims, costs or demands arising out of damages or injury caused by an accident or occurring later than sixty (60) days after redelivery of the vessel upon which the work was performed".

c. "The Contractor shall be responsible for and make good as its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof) its equipment, movable stores and cargo, and Government-owned materials, and equipment for the repair, alteration, conversion, reconversion, reconditioning or additional work in the possession of the Contractor, whether at the Contractor's shipyard or elsewhere, arising or growing out of the performance of work under a job order except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control or was approximately caused by agents or employees of the Authority, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided, that the Contractor shall not be responsible for any such loss or damage discovered after completion of the work and re-delivery to the United States or to third parties at the direction of the Authority, unless such loss or damage is discovered within sixty (60) days after the redelivery of the vessel upon which the work was performed, and such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor, the Contractor's obligations under this paragraph (c) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel.

The United States assumes the Contractor's risk of loss or damage, covered by this paragraph (c) in excess of \$300,000.00".

ENDORSEMENT (Cont'd)

Article 10

b. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof), its equipment, movable stores and cargo, and Government-owned materials and equipment for the repair, completion, alteration of or addition to the vessel in the possession of the Contractor, whether at the Plant or elsewhere, arising or growing out of the performance of the work, except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control, was proximately caused by the fault or negligence of agents or employees of the Government, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided that the Contractor shall not be responsible for any such loss or damage discovered after redelivery of the vessel unless (i) such loss or damage is discovered within sixty (60) days after redelivery of the vessel and (ii) such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor. To induce the Contractor to perform the work for the compensation provided, it is specifically agreed that the Contractor's aggregate liability on account of loss of or damage to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment shall in no event exceed the sum of \$300,000.00 and the Government assumes as to the Contractor the risk of loss or damage (including, but not limited to, loss or damage from negligence of whatsoever degree of the Contractor's servants, employees, agents or subcontractors but specifically excluding loss or damage from wilful misconduct or lack of good faith on the part of any of the Contractor's directors, officers and any of its managers, superintendents or other equivalent representatives who have supervision or direction of (i) all or substantially all of the Contractor's business or (ii) all or substantially all of the Contractor's operation at any one Plant) to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment in excess of \$300,000.00 provided, however, that as to such risk assumed and borne by the Government, the Government shall be subrogated to any claim, demand or cause of action against third persons which exists in favour of the Contractor, and the Contractor shall, if required, execute a formal assignment or transfer of claims, demands or causes of action, provided, further, that nothing contained in this paragraph shall create or give rise to any right, privilege or power in any person except the Contractor, nor shall any person (except the Contractor) be or become entitled thereby to proceed directly against the Government, or join the Government as a co-defendant in any action against the Contractor brought to determine the Contractor's liability or for any other purpose".

c. "The Contractor indemnifies and holds harmless the Government, its agencies and instrumentalities, the vessel and its owners, against all suits, actions, claims, costs or demands (including without limitations, suits, actions, claims, costs or demands resulting from death, personal injury and property damage) to which the Government, its agencies and instrumentalities, the vessel or its owner may be subject or put by reason of damage or injury including death) to the property or person of any one other than the Government, its agencies, instrumentalities and personnel, the vessel or its owner, arising or resulting in whole or in part from the fault, negligence, wrongful act or wrongful omission of the Contractor, or any subcontractor, its or their servants, agents or employees; provided, that the Contractor's obligation to indemnify under this paragraph (c) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect of any vessel.

#### ENDORSEMENT

Such indemnity shall include, without limitation, suits, actions, claims, costs or demands of any kind whatsoever, resulting from death, personal injury or property damage occurring during the period of performance of work on the vessel or within 60 days after redelivery of the vessel; and with respect to any such suits, actions, claims, costs or demands resulting from death, personal injury or property damage occurring after the expiration of such period, the rights and liabilities of the Government and the Contractor shall be as determined by other provisions of this contract and by law; provided, however, that such indemnity shall apply to death occurring after such period which results from any personal injury received during the period covered by the Contractor's indemnity as provided herein.

HOLD HARMLESS AND INDEMNITY AGREEMENT  
SEA-LAND SERVICE, INC.

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This agreement is to be considered in force until superseded in writing by mutual agreement referring specifically hereto.

In consideration of the price to be charged for repairs or services, or the privilege of bidding on such work, or the lease, rental, or loan of the property from the Indemnitee as defined below, it is hereby agreed that notwithstanding any other contract expressed or implied between the parties \_\_\_\_\_ (hereinafter referred to as the Contractor) shall hold harmless, defend and indemnify R.J. Reynolds Tobacco Company, R.J. Reynolds Industries, Inc., McLean Industries, Inc., and/or subsidiary or affiliated companies, or their executive personnel, or vessels owned, chartered or operated by them, and any other owners of such vessels (hereinafter referred to as the Indemnitee) against all claims on account of any personal injury, death, or property damage, (including property of the Indemnitee) as long as the said injury, death or property damage shall have arisen directly or indirectly out of the operations of the contractor, his agents, employees, invitees or subcontractors.

It is understood that the above provisions shall apply only to injuries, death, or property damage which shall have occurred or resulted from conditions that occurred during :

1. The time a vessel or other property (including property for which the Indemnitee is legally liable) of Indemnitee shall be in the care, custody or control of the Contractor or his agent, or shall be berthed at his facility, or-
2. the time the Contractor or his agents, invitees, employees, or subcontractors were permitted access to the vessel or other property of the Indemnitee.
3. The time the Contractor is performing a service for the Indemnitee.

Contractor shall provide evidence of insurance with an insurance company suitable to the Indemnitee which shall refer specifically to this agreement, and which shall have at least the following limits of liability :

General Liability And/Or Automobile Liability, As Applicable

Personal Injury -	\$250,000.00	each person
	\$500,000.00	each accident

Property Damage -	\$500,000.00	each Accident
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This insurance shall be primary and will cover all operations of the Contractor, and his subcontractors. Certificates of such insurance, as well as Workmen's Compensation Insurance, along with signed copy of this agreement, to be filed with :

Director, Insurance  
Sea-Land Service, Inc.  
P.O. Box 1050  
Elizabeth, New Jersey 07207

Date: \_\_\_\_\_

(Contractor) \_\_\_\_\_

Subject to all terms, clauses and conditions as per wording attached including American Free of Capture and Seizure Clause. Service of Suit Clause (U.S.A. and New York) and New York Suable Clause. Subject to a deductible of U.S.\$25,000 any one accident as per wording attached.

It is hereby noted and agreed that the "SANTA ROSA" and "SANTA PAULA" valued U.S.\$15,000,000 each vessel are presently laid up at the Assured's Yard, and the Assured in possession of full Hold Harmless Agreement signed by the Owners.

**American Institute**

F. C. & S. Clause (Hulls)  
(September 8, 1959)

87B-59  
(Revised)

To be attached to and form a part of Policy No. 2703294 of INSTITUTE OF LONDON UNDERWRITERS.

Insuring **AS PER POLICY**

The F. C. & S. Clause in this policy is hereby amended to read as follows and unless physically deleted by the Underwriters, shall be paramount and shall supersede and nullify any contrary provision of the Policy:

**F. C. & S. CLAUSE**

Notwithstanding anything to the contrary contained in the Policy, this insurance is warranted free from any claim for loss, damage or expense caused by or resulting from capture, seizure, arrest, restraint or detainment, or the consequences thereof or of any attempt thereat, or any taking of the Vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; also from all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but the foregoing shall not exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power, and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power; also warranted free, whether in time of peace or war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

If war risks are hereafter insured by endorsement on the Policy, such endorsement shall supersede the above warranty only to the extent that their terms are inconsistent and only while such war risk endorsement remains in force.

All other terms and conditions remaining unchanged.

Dated

Signed

### SERVICE OF SUIT CLAUSE (U.S.A.)

The place of physical and actual issue and delivery of this policy is the City of London. Nevertheless, at the option of the Assured, as between the Assured and the Assurers, the place of issue and delivery of the policy shall be considered in the City of New York and all matters arising hereunder shall be determined in accordance with American Law and practice. Any suit hereon may be brought against these Assurers in any court of competent jurisdiction within the United States of America. The summons and other legal processes may be served on these Assurers by and in behalf of the Assured by mailing a copy thereof by United States registered mail addressed to Mr. John A. Garrity, Mr. Wilbur H. Hecht or Mr. John A. Curley, all of the law firm of Mendes & Mount, 27, William Street, New York 5, N.Y., each of whom these Assurers hereby authorizes to accept by and in their behalf such summons and other legal processes against these Assurers in any Court of Competent jurisdiction within the United States of America. The mailing, as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by these Assurers as such, and shall be legal and binding upon these Assurers for all the purposes of the suit. Final judgment against these Assurers in any such suit shall be conclusive; and it may be enforced in any other jurisdictions, including Great Britain, by suit on the Judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of this indebtedness. The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any person succeeding to the rights of any such mortgagee.

### Applicable to Policies Subject to Section 59-A of the Insurance Law of the State of New York.

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the (re)insured or any beneficiary hereunder arising out of this contract of (re)insurance.

It is agreed that if the Assured in accordance with permission granted under this Policy shall bring suit hereunder in the United States of America the law to be applied by the Courts in determining liability under the policy shall be the law of the United States of America.

### BROKERS' CANCELLATION CLAUSE

It is hereby understood and agreed between the Underwriters on this Policy and the Assured that in the event of premiums due hereunder not being met by the Assured when due the Underwriters are to have the right and hereby agree to cancel this policy pro rata at the request of the Brokers, which request is only to be made in consequence of non-payment of premiums.

#### NEW YORK SUABLE CLAUSE

The place of physical and actual issue and delivery of this Policy is the City of London, but nevertheless as between the Assured and Underwriters the place of suit hereon shall be deemed the State of New York, United States of America and any suit hereon may be brought against the Underwriters in any court of competent jurisdiction within the United States. The summons and other legal processes may be served on Underwriters by and on behalf of the Assured by mailing a copy thereof by the United States registered mail addressed to Mr. Wilbur H. Hecht, Mr. John A. Curley or Mr. John A. Garrity, all of the Law Firm of Mendes & Mount, 27, William Street, New York City, New York, each of whom Underwriters hereby authorize to accept by and on its behalf such summons and other legal processes against Underwriters in any Court of competent jurisdiction within the United States. The mailing as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by Underwriters as such, and shall be legal and binding upon Underwriters for all the purposes of the suit. Final judgement against Underwriters in any such suit shall be conclusive; and it may be enforced in any other jurisdictions, including Great Britain, by suit on the judgement, a certified or exemplified copy of which shall be conclusive evidence of the fact and the amount of this indebtedness. The right of the Assured to bring Suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any persons succeeding to the rights of any such mortgagee.

The following clause shall apply, but only, if this insurance is affected by the New York Insurance Law.

#### SERVICE OF SUIT CLAUSE

##### NEW YORK

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary arising out of this contract of insurance.

CERTIFICATE OF INSURANCE

COMPETENT SERVICE  
Nansemond Insurance Agency,  
Inc.  
SUFFOLK VIRGINIA  
ABSOLUTE PROTECTION

NAMED INSURED AND ADDRESS

Norfolk Shipbuilding & Drydock Corporation  
P.O. Box 2100  
Norfolk, Virginia 23501

The company hereby states that it has issued to the insured named herein a policy or policies of insurance providing the types of insurance and limits of liability set forth herein. This certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policies scheduled herein. It is furnished as a matter of information only, confers no rights upon the holder and is issued with the understanding that the rights and liabilities of the parties will be governed by the original policy or policies as they may be lawfully amended by endorsement from time to time.

TYPE OF INSURANCE (Indicate by "X" in Box)	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS OF LIABILITY	
				BODILY INJURY LIABILITY	PROPERTY DAMAGE LIABILITY
<input type="checkbox"/> Comprehensive Automobile Liability				\$ each person \$ each occurrence	\$ each occurrence
<input checked="" type="checkbox"/> Comprehensive General Liability	L6632151	8/1/74	8/1/77	\$1,000,000. Single Limit \$ each person	\$ each occurrence
<input type="checkbox"/> Manufacturers' and Contractors' liability					
<input type="checkbox"/> Owners', Landlords' and Tenants' Liability					
<input checked="" type="checkbox"/> Contractual Liability	Blanket			\$ each occurrence \$ aggregate	\$ aggregate
<input type="checkbox"/>					
<input type="checkbox"/>					
WORKMEN'S COMPENSATION				Coverage afforded in accordance with the Workmen's Compensation Law of the States specified in subdivision (a) below and the Occupational Disease Law, if any, of such States, unless otherwise stated in subdivision (b) below. (a) (b)	
EMPLOYERS' LIABILITY				COVERAGE B—EMPLOYEES SUBJECT TO COMPENSATION LAW \$ COVERAGE B—EMPLOYEES NOT SUBJECT TO COMPENSATION LAW	
(Unless otherwise stated, the policy number, effective and expiration dates are the same as those shown for workmen's compensation insurance)				INJURY BY ACCIDENT	
				\$ each employee \$ each accident	\$ each employee \$ aggregate (each state)
				MEDICAL \$	
				each employee	

REMARKS

Contract N00033-70-C-0038 dated 8/30/69  
It is agreed that in the event of cancellation of the policy by the Company thirty (30) days written notice of such cancellation will be given to you at the address stated below.

This certificate is issued at the request of the person or organization named below and the company will mail to such person or organization, at the address shown, notice of cancellation and, where possible, notice of any material change in any of the described policies.

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street and First Avenue  
Brooklyn, New York 11250

Attention: Contracting Officer  
VIA Office of Naval Material  
Insurance Branch  
Washington 25, D.C.

Date  
July 31, 1974  
By  
Nansemond Insurance Agency, Inc.  
Authorized Representative  
By *[Signature]* Agent

**BURROUGHS & WATSON, INC.**

INSURANCE — SURPLUS LINES BROKERS  
1335 UNITED VIRGINIA BANK BUILDING  
5 MAIN PLAZA EAST  
NORFOLK, VIRGINIA 23510

GEN. B. BURROUGHS  
(800-10071)  
J. POWELL, WATSON, JR.

CABLE ADDRESS  
**BURWAT**  
TELEPHONE (804) 627-0243

May 29, 1975

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11250

Attn: Contracting Officer

Re: Norfolk Shipbuilding & Drydock Corporation  
Contract N00033-70-C-0038  
August 30, 1969

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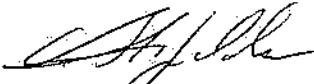
Gentlemen:

We will thank you to accept this letter as evidence of binder for the renewal of the above assured's Ship Repairers Legal Liability Insurance effective May 24, 1975 for the same terms and conditions as expiring.

Renewal Cover Notes and Policies will be forwarded as soon as received from underwriters.

Yours very truly,

BURROUGHS & WATSON, INC.



O. S. Ingvaldsen

OSI:meh

Cc: Mr. R. B. Richardson, Jr.  
Vice President of Finance & Treasurer  
Norfolk Shipbuilding & Drydock Corporation  
P. O. Box 2100  
Norfolk, Virginia 23501

# DUPLICATE ORIGINAL

**Bain Dawes**  
Incorporated Insurance Brokers

**Bain Dawes (International) Limited**  
26 Fenchurch Street London EC3M 3DR  
and at Lloyd's

Telephone 01-283 4611, Telex 888143  
Cables Baindawes London Telex

Burroughs & Watson Inc.,  
1335, United Virginia Bank Building,  
5, Main Plaza East,  
Norfolk,  
Virginia 23510,  
U.S.A.

Date 2nd August 1976

Our Ref:	Checked
ERT/AT	AC

## COVER NOTE

CONTRACT No. 4279/6/001A

In accordance with your instructions we have effected the following insurance:

FORM: "J"

ASSURED: Norfolk Shipbuilding & Drydock Corporation.

PERIOD: 12 months at Noon 24th May, 1976 New York Time.

INTEREST: Shiprepairers Liability

LIMIT: US\$2,000,000 any one accident or series of accidents arising out of one event.

DEDUCTIBLE: US\$25,000 any one accident or series of accidents arising out of one event.

CONDITIONS: This insurance to cover the legal liability of the Assured as per wording attached.  
Plus 1% Collecting Commission  
Free of Capture and Seizure Clause (American)  
Excluding Liability to Docks and Marine Railways  
Service of Suit Clause (United States of America)  
New York Suable Clause.

PREMIUM: Minimum and Deposit US\$33,600 plus 1% Collecting Commission (US\$336)  
Adjustable at 35.1684% on gross receipts.

HERETO: 73.896% part of 100% interest in above Limit.

SECURITY: Underwriters at Lloyd's London.

BAIN DAWES (INTERNATIONAL) LIMITED



**Bain Dawes**  
Incorporated Insurance Brokers

Bain Dawes (International) Limited  
26 Fenchurch Street London EC3M 3DR.  
and at Lloyd's

Telephone 01-283 4611, Telex 888143  
Cables Baindawes London Telex

Burroughs & Watson Inc.,  
1335, United Virginia Bank Building,  
5, Main Plaza East,  
Norfolk,  
Virginia 23510,  
U.S.A.

Date 2nd August 1976

Our Ref:	Checked
ERT/AT	RC

## COVER NOTE

CONTRACT No. 4279/6/001B

In accordance with your instructions we have effected the following insurance:

FORM: "J"

ASSURED: Norfolk Shipbuilding & Drydock Corporation.

PERIOD: 12 months at Noon 24th May, 1976 New York Time.

INTEREST: Shiprepairers Liability

LIMIT: US\$2,000,000 any one accident or series of accidents arising out of one event.

DEDUCTIBLE: US\$25,000 any one accident or series of accidents arising out of one event.

CONDITIONS: This insurance to cover the legal liability of the Assured as per wording attached.  
Plus 1% Collecting Commission  
Free of Capture and Seizure Clause (American)  
Excluding Liability to Docks and Marine Railways  
Service of Suit Clause (United States of America)  
New York Suable Clause.

PREMIUM: Minimum and Deposit US\$33,600 plus 1% Collecting Commission (US\$336)  
Adjustable at 35.168% on gross receipts.

HERETO: 26.104% part of 100% interest in above Limit.  
(22.941% Tax deducted 3.163% Tax not deducted)

SECURITY: Member Companies of the Institute of London Underwriters as attached.

BAIN DAWES (INTERNATIONAL) LIMITED



Attaching to and forming part of Cover Note No. 4279/6/001 B

5.786%	Threadneedle Insurance Co. Ltd.	
1.152%	Edinburgh Assurance Co. Ltd. No. 3 A/c.	
3.071%	Bishopsgate Insurance Co. Ltd. "F" A/c.	
3.071%	Sphere Insurance Co. Ltd.	
	Drake Insurance Co. Ltd.	
3.839%	Planet Assurance Co. Ltd. "L" A/c.	
3.071%	British Law Insurance Co. Ltd. No. 2 A/c.	
.768%	Insurance Corporation of Ireland Ltd. "L" A/c.	
2.211%	Cornhill Insurance Co. Ltd.	
	Sovereign Marine & General Insurance Co. Ltd.	
	Tokyo Marine & Fire Insurance Co. (UK) Ltd.	
	Taisho Marine & Fire Insurance Co. (UK) Ltd.	
	Storebrand Insurance Co. (UK) Ltd.	
	Compagnie d'Assurances Maritimes Aeriennes et Terrestres	
	Allianz International Insurance Co. Ltd.	
2.303%	Insurance Company of North America	) Tax
.768%	Insurance Company of North America "O" A/c.	) Not
0.092%	Atlantic Mutual Insurance Co.	) Deducted

SHIPREPAIRERS' LIABILITY CLAUSES

1. Name of Assured NORFOLK SHIPBUILDING AND DRY DOCK CORPORATION
2. Location of Premises &/or Yard NORFOLK, VIRGINIA
3. Period 12 months @ NOON, 24th MAY, 1976 NEW YORK TIME
4. Premium The minimum and deposit premium shall be subject to adjustment at expiry of the period of this insurance on gross charges of the Assured plus 1% for Collecting Commissions coverage, such adjustment to be paid within 90 days.
5. Gross Charges Gross charges shall be defined as total charges (collected or uncollected) made by the Assured as shiprepairers during the period of this insurance. No deduction shall be made from the gross charges in respect of any sub-contracted work.
6. Coverage

This insurance covers the legal liability of the Assured as shiprepairers for:

  - (i) loss of or damage if any to any vessel or craft which is in the care, custody or control of the Assured for the purpose of being worked upon and whilst laid up awaiting repair or redelivery including shifting and moving between the various plants and yards of the Assured, and including trial trips but not exceeding 100 miles from the various plants and yards of the Assured.
  - (ii) loss of or damage to any other vessel or craft upon which the Assured is working except vessels or craft at sea other than whilst on trial trips.
  - (iii) loss of or damage to cargo and/or freight and/or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above.
  - (iv) loss of or damage to machinery or equipment of any vessel or craft, whilst such machinery or equipment is removed from such vessel or craft and is in the care, custody or control of the Assured for the purpose of being worked upon, including whilst in transit between such vessel or craft and the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.
  - (v) damages resulting from ;
    - (a) loss of or damage to ) occurring in the course  
property (other than ) of and arising from the  
that referred to in (i), ) shiprepairing operations  
(ii), (iii) or (iv) above ) of the Assured.
    - (b) loss of life or bodily )  
injury to persons )
  - (vi) removal of wreck.

- (vii) To vessels towed by the Assured's tugs. Although such vessels are not under contract for repair and for conversion to the Assured, subject to prior notice and at an additional premium and deductible if required by Insurers.  
Where such liability results from negligence of the Assured, his servants, agents or sub-contractors occurring during the period of this insurance.
7. Faulty Design This insurance shall in no case be deemed to extend to cover the Assured's liability for :  
(a) condemnation or rejection of any part by reason of faulty design.  
(b) any loss or expense arising from such condemnation or rejection.  
(c) the cost or expense of repairing, modifying or replacing any part (or for any loss or expense arising therefrom) by reason of faulty design.
8. Limit of Liability The limit of liability under this insurance, in respect of any one accident or series of accidents arising out of one occurrence, shall be \$2,000,000, in addition Underwriters will bear costs, charges and expenses (as provided for in Clause 10 below) up to a similar amount.  
It is specially understood and agreed that this Policy shall not be reduced by any loss paid or unpaid hereunder and it is always to apply in the full amount hereof to each and every vessel or craft becoming at risk hereunder, but notwithstanding anything contained herein to the contrary the liability of these Assurers is limited to the amount insured hereunder in respect of any one vessel for any one loss or occurrence at any one time.
9. Deductible This insurance shall only pay the excess of \$25,000 in respect of the Assured's ultimate nett loss resulting from any one accident or series of accidents arising out of one occurrence.
10. Costs (i) In respect of any claim, which may become the subject of indemnity hereunder, this insurance shall also cover (subject to Clause 8 above) (a) costs, charges and expenses which the Assured may, with the written consent of the Underwriters hereon, incur and (b) costs awarded against the Assured.  
In the event of this insurance being one layer of a series of layers of insurance, the amount recoverable hereunder in respect of such costs, charges and expenses shall not exceed the proportion of such costs, charges and expenses that the damages recoverable under this insurance bear to the total amount of damages arising from such claims or proceedings.  
(ii) In Cases where :  
(a) the parties claiming against the Assured fail in, or withdraw their action, or,  
(b) the amount of any compromise or award is such that there is no claim hereon or the claim hereon is less than the amount stated in any Undertaking or formal notice under the Claim Control Condition hereof,

the lawyers having the conduct of the investigation and defence shall apportion the costs, charges and expenses incurred on an equitable basis between the parties concerned including the Assured and Underwriters (if any) concerned on other layers having due regard to the amount of the claim, the amount of any award or settlement and the amounts severally at risk by the parties concerned, taking into account also any Undertaking or formal notice given by any of the interested parties as to the conduct of the defence and any settlement. In the event of any disagreement with the apportionment, the matter shall be referred to arbitration by an independent arbitrator to be agreed between the parties concerned.

#### EXCLUSIONS

Notwithstanding anything contained herein to the contrary, this insurance shall not cover any liability:

- (i) in respect of property
  - (a) owned by, used by, or leased to the Assured.
  - (b) in the care, custody or control of the Assured (other than property referred to in Clause 6 (i), (iii) or (iv) above).
- (ii) being collision liability, towage liability or liability arising out of the navigation of any vessel or craft owned or operated by the Assured or any affiliated or subsidiary concern or party other than in Clause 6 (vii) above.
- (iii) in respect of or arising in connection with any vessel or craft accepted by the Assured solely to be stored.
- (iv) in respect of or arising in connection with an oil tank vessel or craft, or any vessel or craft previously engaged in carrying explosive or inflammable liquids or gases or arising in connection with work on or near any fuel tank or pipeline of an oil burning vessel or craft unless the rules, regulations and requirements of the port or governmental authorities at the place where the work is being carried out have been complied with. Should a gas free certificate not be required by the port or governmental authorities then such a certificate must be obtained from a chemist approved by Lloyd's Agent prior to the commencement of work.
- (v) in respect of or arising in connection with any new vessel or craft being built by the Assured.
- (vi) for payments under penalty clauses, detention, demurrage, loss of time, loss of freight, loss of charter, loss of market or any other consequential loss whatsoever, in respect of property referred to in Clause 6 (i), (ii) (iii) or (iv) above.
- (vii) for any claim arising directly or indirectly under Workmen's Compensation or Employers' liability Acts or any other statutory or Common Law Liability in respect of loss of life of, bodily injury to or illness of any workman or other person employed in any capacity whatsoever by the Assured, his agents or subcontractors when such loss of life, bodily injury or illness arises out of or in the course of the employment of such workman or other person.

- 11 -
- (viii) arising from the existence, maintenance, or use of
    - (a) any licensed truck, automobile or other mechanically propelled vehicle.
    - (b) any unlicensed truck, automobile or other mechanically propelled vehicle outside the premises or yard of the Assured.
  - (ix) in respect of loss or damage specified in Clause 6 (i), (ii), (iii) or (iv) above unless discovered and reported in writing to Underwriters within 180 days of the delivery to Owners or within 180 days after the work is completed by the Assured, whichever may first occur.
  - (x) which is or but for the existence of this insurance would be covered under any other indemnity or insurance insuring to the benefit of the Assured, except for any excess of the amount which would be recoverable under such other indemnity or insurance had this insurance not been effected, but only to the extent that the excess amount is covered by this insurance.
  - (xi) arising from any strike, lock-out, labour disturbance, riot, civil commotion or act of any person taking part in any such occurrence.
  - (xii) directly or indirectly occasioned by, happening through or in consequence of:
    - (a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or piracy.
    - (b) destruction of or damage to property by or under the order of any government or public or local authority.
  - (xiii) directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

#### GENERAL CONDITIONS

Inspection of Books

The Assured shall keep a complete and accurate record of all gross charges for operations covered hereunder and shall make these records available to Underwriters upon request.

Notice of Claim

In the event of any occurrence which may result in a claim under this insurance the Assured shall give prompt written notice to the Underwriters hereon, shall forward every summons or process (or copies thereof) served upon the Assured and shall keep Underwriters fully advised.

Claim Control

Underwriters shall at any time be entitled (but not obliged) to control or take over the conduct of the investigation defence and settlement of any claims suit or proceeding against the Assured which is or is likely to be the subject of indemnity under this insurance.

In the event of this insurance being one layer of a series of layers of insurance and more than one layer being likely to be involved in a particular occurrence, the Assured shall endeavour to obtain the agreement of the insurers of each affected payer as to the manner in which such control or taking over shall be effected and the costs, charges and expenses incurred borne.

If Underwriters hereon consider that a claim made against the Assured should not be contested then Underwriters hereon shall be entitled at any time to give an undertaking to the Assured to indemnify him for a sum equivalent to the limit of liability stipulated in Clause 8 above or such lesser sum as would have been payable under this insurance had the claim been settled at that time. Thereupon Underwriters hereon shall relinquish any control and conduct of the investigation or defence of the claim and shall thereafter have no further liability in respect of the claim or for costs, charges or expenses incurred subsequent to the giving of the undertaking. Where however the claim hereon is thereafter settled for a sum less than the amount referred to above, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

In the event of this insurance being one layer of a series of layers of insurance then if Underwriters hereon wish to exercise their rights under this condition and at such time the insurers of another layer or layers reject the settlement then possible, Underwriters hereon shall be entitled to give formal notice to the Assured that they consider the claim should be settled at that time. Thereafter Underwriters hereon shall have no liability for any costs, charges or expenses incurred subsequent to the giving of such notice. Where however the claim hereon is thereafter settled for a sum less than the amount at which it was capable of being settled at the date when such notice was given, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

#### Subrogation

In the event of any claim or loss being paid under this insurance Underwriters shall be subrogated to all rights and remedies of the Assured. The Assured shall not admit liability nor give any waiver of subrogation without the express permission of the Underwriters.

#### Reconstruction or Conversion

It is a condition of this insurance that before work commences involving the reconstruction or conversion of any vessel or craft which entails a change in dimension tonnage or type, the Assured must advise Underwriters and the coverage hereon in respect of such vessel or craft shall depend on the payment by the Assured of such additional premium as may be required by Underwriters.

#### Due Diligence

It is the duty of the Assured and his agents at all times to take such measures as may be reasonable for the purposes of averting or minimising a loss.

Assignment

It is agreed that no assignment of or interest in this insurance or in any moneys which may be or may become payable hereunder is to be binding on or recognised by Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on this insurance and the insurance with such endorsement is produced before payment of any claim or return of premium hereunder; but nothing in this condition is to have effect as an agreement by Underwriters to a sale or transfer to new management.

Cancellation

This insurance may be cancelled by either party on giving the other 30 days notice in writing.

In the event of Underwriters giving notice then the words "minimum and" in Clause 4 above shall be deemed to be deleted.

Insolvency or  
Bankruptcy

Insolvency or bankruptcy of the Assured shall not act to debar recovery hereunder and these Assurers agree that in the event of the inability of the Assured to pay liability arising from perils insured against hereunder, to pay such claims or parts thereof for which this policy may be liable direct to the claimant or order.

1. This insurance is also extended to cover liability assumed by or imposed on the Assured:

by the following clause when appearing in the contract for work in respect of any vessel:

"While the vessel is undergoing repairs and alterations at the contractors yard or wharf, the contractor shall be held responsible for and make good at his expense any and all damage of whatsoever nature and/or loss to the vessel and/or its equipment and/or movable stores, except where contractor can affirmatively show that such loss or damage is due to causes beyond contractor's control and which by the exercise of reasonable care he was unable to prevent".

However contracts containing the above clause or any other contractor's liability clause held covered subject to prior notice and submission to Underwriters at additional premium if required.

2. This insurance also covers the legal liability of the Assured from operations of their floating equipment (excluding Drydocks and Marine Railways) whether operated for their own account or when loaned, leased or chartered to others but only in respect of claims recoverable under Clause 6 (Insuring Clause).
3. Notwithstanding Exclusion (vi) this insurance is extended to cover the legal liability of the Assured for detention and/or loss of freight and/or loss of time of any vessel or craft as a consequence of loss of or damage to such vessel or craft resulting in a claim which is the subject of indemnity under Clause 6 (i), (ii) or (iv) herein but this extension shall not cover any legal liability for detention and/or loss of freight and/or loss of time accepted by the Assured under contract express or implied except to the extent that the Assured is or would be liable for detention and/or loss of freight and/or loss of time independently of any provision in that contract. Subject otherwise to all terms, clauses and conditions of this insurance.
4.
  - i) This insurance shall be extended to cover other repair operations which do not come within the scope of the shiprepairing operations of the Assured.
  - ii) So far as concerns such other repair operations :
    - a) The expressions "shiprepairers" and "shiprepairing" wherever used in this insurance, other than in Clause 5, shall be deemed to include other repair operations of the Assured.
    - b) Clause 6 (iv) of this insurance shall be deemed to be substituted by the following :

loss of or damage to property (other than that referred to in (i), (ii) or (iii) above) which is in the care, custody or control of the Assured for the purpose of being worked upon including whilst in transit to or from the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.

Subject otherwise to all terms, clauses and conditions of this insurance.
5. This insurance shall extend to cover the Assured's liability in respect to a licensed gas freeing chemist employed by them whilst working in yards other than their own and on vessels on moorings and/or in ports in the vicinity of Hampton Roads, subject always to an approved hold harmless agreement being obtained by them from the yards, and the Masters of the vessels concerned.

6. It is noted and agreed that Navy Vessels and/or others are occasionally repaired with ammunition not removed from vessel.
7. Notwithstanding the provisions of the "Gas Free" Clause appearing herein, the Assured has permission to drydock or haul a tank vessel to carry out minor repairs where no welding or burning is involved, but subject to the approval of a certified chemist.
8. It is noted and agreed that the use of Steel Analysis projector, Model No. 533 does not prejudice this insurance, and the exclusions contained in Clause (xiii) of the exclusions does not apply.
9. It is noted and agreed that coverage under the Clause 6 (vi) is extended to pay the expenses of the removal of wreck from any place owned, leased or occupied by the Assured arising from the shiprepairing or dockowning operation of the Assured.
10. Notwithstanding anything herein contained to the contrary it is hereby noted and agreed that this insurance is extended to cover the Assureds liability arising from the activities of any employees or person(s) working on behalf of the Assured when on board vessels and/or craft whilst at sea or in any port for the purpose of effecting repairs and/or other work entrusted to the Assured. It is understood that this extension is effective notwithstanding that such employees and/or person(s) may be signed on as members of the vessels/crafts crew. This Clause does not extend to cover such work when undertaken on drilling rig whilst at drilling site which held covered at terms to be agreed prior to inception of risk.

NAVAL CONTRACT ENDORSEMENT

Notwithstanding anything to the contrary contained herein it is hereby noted and agreed that:

1. This insurance shall extend to cover the:
  - (a) liability imposed on or assumed by the Assured under articles 9 (b), 9 (c), 10 (b) and 10 (c) of Master Contracts signed with the United States of America, its instrumentalities or agencies (copies attached hereto) and,
  - (b) Notwithstanding the Non Contribution Clause contained herein this insurance shall not be prejudiced by reason of the Assured being required to effect insurance under the Warship Repair Form and/or Policy of similar intent and/or purpose issued by the following Government Agencies:

Contracting Officer  
U.S. Army Troop Support Command  
Attn: AMCTS-PDD-O  
4300 Goodfellow Blvd.  
St. Louis, Mo. 63120

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street and First Avenue  
Brooklyn, New York, 11250  
Attn. Contracting Officer

Mr. C.R. Fullenkamp, Chief  
Insurance Compliance Branch  
Division of Insurance  
U.S. Department of Commerce  
Maritime Administration  
Washington, D.C.

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C., 20360  
Via: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va., 23705  
Attn. Mr. R.S. Gray  
Contract & Materials Dept.

U.S. Army Engineers  
Norfolk District  
Foot of Front Street  
Norfolk, Virginia

U.S. Army Engineers  
Philadelphia District  
Custom House  
2nd & Chestnut Streets  
Philadelphia, Pennsylvania, 19106

U.S. Army Engineers  
Wilmington District  
308 Custom House  
Wilmington, North Carolina

U.S. Army Engineers  
Savannah District  
200 East St. Julian Street  
Savannah, Georgia

U.S. Army Engineers  
Jacksonville District  
P.O. Box 4970  
Jacksonville, Florida

Department of the Army  
New Orleans District  
Corps. of Engineers,  
P.O. Box 60267  
New Orleans, Louisiana 70160

this insurance fully indemnifying the Assured for any claim which would be recoverable hereunder but for the existence of the said policy or policies.

It is hereby agreed that in the event of cancellation or any material change in this policy adversely affecting the interest of the United States Government in this insurance, thirty days' prior written notice will be given to each of the activities specified in this insurance.

ENDORSEMENT (Cont'd)

The following is a copy of the Articles 9 (b) 9 (c) the Master Lump Sum Repair Contract (MARAD Lumpsumrep) and Articles 10 (b) 10 (c) the Department of Defence Master Contract for Repair and Alteration of Vessels (DD ASPR Form No: 731) as stated in Page III of the attached wording.

Article 9

b. "The Contractor does indemnify and hold harmless the United States, its agencies and instrumentalities, and the vessel and its owners against all suits, actions, claims, costs or demands (including without limitation, suits, actions, claims, costs or demands for death, personal injury, and property damage, but excluding such actions, claims, costs or demands to the extent that such suits, claims, costs or demands arise or result from the fault of the United States, its agencies and instrumentalities or the vessel owners) to which the United States, its agencies and instrumentalities or vessel, or its owners may be subject or put by reason of damage or injury (including death) to the property or person of any one other than the United States, its agencies and instrumentalities, or the vessel or its owners arising or resulting from the fault, negligence, wrongful act or omission of the Contractor, or any sub-contractor, its or their servants, agents or employees arising or growing out of the performance of work under a job order: provided, that the Contractor's obligation under this paragraph (b) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel and shall not extend to suits, actions, claims, costs or demands arising out of damages or injury caused by an accident or occurring later than sixty (60) days after redelivery of the vessel upon which the work was performed".

c. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof) its equipment, movable stores and cargo, and Government-owned materials, and equipment for the repair, alteration, conversion, reconversion, reconditioning or additional work in the possession of the Contractor, whether at the Contractor's shipyard or elsewhere, arising or growing out of the performance of work under a job order except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control or was approximately caused by agents or employees of the Authority, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided, that the Contractor shall not be responsible for any such loss or damage discovered after completion of the work and re-delivery to the United States or to third parties at the direction of the Authority, unless such loss or damage is discovered within sixty (60) days after the redelivery of the vessel upon which the work was performed, and such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor, the Contractor's obligations under this paragraph (c) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel.

The United States assumes the Contractor's risk of loss or damage, covered by this paragraph (c) in excess of \$300,000.00".

- 3 -

ENDORSEMENT (Cont'd)

Article 10

b. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof), its equipment, movable stores and cargo, and Government-owned materials and equipment for the repair, completion, alteration of or addition to the vessel in the possession of the Contractor, whether at the Plant or elsewhere, arising or growing out of the performance of the work, except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control, was proximately caused by the fault or negligence of agents or employees of the Government, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided that the Contractor shall not be responsible for any such loss or damage discovered after redelivery of the vessel unless (i) such loss or damage is discovered within sixty (60) days after redelivery of the vessel and (ii) such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor. To induce the Contractor to perform the work for the compensation provided, it is specifically agreed that the Contractor's aggregate liability on account of loss of or damage to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment shall in no event exceed the sum of \$300,000.00 and the Government assumes as to the Contractor the risk of loss or damage (including, but not limited to, loss or damage from negligence of whatsoever degree of the Contractor's servants, employees, agents or subcontractors but specifically excluding loss or damage from wilful misconduct or lack of good faith on the part of any of the Contractor's directors, officers and any of its managers, superintendents or other equivalent representatives who have supervision or direction of (i) all or substantially all of the Contractor's business or (ii) all or substantially all of the Contractor's operation at any one Plant) to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment in excess of \$300,000.00 provided, however, that as to such risk assumed and borne by the Government, the Government shall be subrogated to any claim, demand or cause of action against third persons which exists in favour of the Contractor, and the Contractor shall, if required, execute a formal assignment or transfer of claims, demands or causes of action, provided, further, that nothing contained in this paragraph shall create or give rise to any right, privilege or power in any person except the Contractor, nor shall any person (except the Contractor) be or become entitled thereby to proceed directly against the Government, or join the Government as a co-defendant in any action against the Contractor brought to determine the Contractor's liability or for any other purpose".

c. "The Contractor indemnifies and holds harmless the Government, its agencies and instrumentalities, the vessel and its owners, against all suits, actions, claims, costs or demands (including without limitations, suits, actions, claims, costs or demands resulting from death, personal injury and property damage) to which the Government, its agencies and instrumentalities, the vessel or its owner may be subject or put by reason of damage or injury including death) to the property or person of any one other than the Government, its agencies, instrumentalities and personnel, the vessel or its owner, arising or resulting in whole or in part from the fault, negligence, wrongful act or wrongful omission of the Contractor, or any subcontractor, its or their servants, agents or employees; provided, that the Contractor's obligation to indemnity under this paragraph (c) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect of any vessel.

ENDORSEMENT

Such indemnity shall include, without limitation, suits, actions, claims, costs or demands of any kind whatsoever, resulting from death, personal injury or property damage occurring during the period of performance of work on the vessel or within 60 days after redelivery of the vessel; and with respect to any such suits, actions, claims, costs or demands resulting from death, personal injury or property damage occurring after the expiration of such period, the rights and liabilities of the Government and the Contractor shall be as determined by other provisions of this contract and by law; provided, however, that such indemnity shall apply to death occurring after such period which results from any personal injury received during the period covered by the Contractor's indemnity as provided herein.

HOLD HARMLESS AND INDEMNITY AGREEMENT  
SEA-LAND SERVICE, INC.

This agreement is to be considered in force until superseded in writing by mutual agreement referring specifically hereto.

In consideration of the price to be charged for repairs or services, or the privilege of bidding on such work, or the lease, rental, or loan of the property from the Indemnitee as defined below, it is hereby agreed that notwithstanding any other contract expressed or implied between the parties \_\_\_\_\_ (hereinafter referred to as the Contractor) shall hold harmless, defend and indemnify R.J. Reynolds Tobacco Company, R.J. Reynolds Industries, Inc., McLean Industries, Inc., and/or subsidiary or affiliated companies, or their executive personnel, or vessels owned, chartered or operated by them, and any other owners of such vessels (hereinafter referred to as the Indemnitee) against all claims on account of any personal injury, death, or property damage, (including property of the Indemnitee) as long as the said injury, death or property damage shall have arisen directly or indirectly out of the operations of the contractor, his agents, employees, invitees or subcontractors.

It is understood that the above provisions shall apply only to injuries, death, or property damage which shall have occurred or resulted from conditions that occurred during :

1. The time a vessel or other property (including property for which the Indemnatee is legally liable) of Indemnatee shall be in the care, custody or control of the Contractor or his agent, or shall be berthed at his facility, or-
2. the time the Contractor or his agents, invitees, employees, or subcontractors were permitted access to the vessel or other property of the Indemnatee.
3. The time the Contractor is performing a service for the Indemnatee.

Contractor shall provide evidence of insurance with an insurance company suitable to the Indemnitee which shall refer specifically to this agreement, and which shall have at least the following limits of liability :

General Liability And/Or Automobile Liability, As Applicable

Personal Injury -	\$250,000.00	each person
	\$500,000.00	each accident

Property Damage - \$500,000.00 each Accident

This insurance shall be primary and will cover all operations of the Contractor, and his subcontractors. Certificates of such insurance, as well as Workmen's Compensation Insurance, along with signed copy of this agreement, to be filed with :

Director, Insurance  
Sea-Land Service, Inc.  
P.O. Box 1050  
Elizabeth, New Jersey 07207

Date: \_\_\_\_\_

(Contractor) \_\_\_\_\_

(Signed by an Executive Officer of Contractor)

(Title) \_\_\_\_\_

SERVICE OF SUIT CLAUSE (U.S.A.)

The place of physical and actual issue and delivery of this policy is the City of London. Nevertheless, at the option of the Assured, as between the Assured and the Assurers, the place of issue and delivery of the policy shall be considered in the City of New York and all matters arising hereunder shall be determined in accordance with American Law and practice. Any suit hereon may be brought against these Assurers in any court of competent jurisdiction within the United States of America. The summons and other legal processes may be served on these Assurers by and in behalf of the Assured by mailing a copy thereof by United States registered mail addressed to Mr. John A. Garrity, Mr. Wilbur H. Hecht or Mr. John A. Curley, all of the law firm of Mendes & Mount, 27, William Street, New York, 5, N.Y., each of whom these Assurers hereby authorises to accept by and in their behalf such summons and other legal processes against these Assurers in any Court of Competent jurisdiction within the United States of America. The mailing, as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by these Assurers as such, and shall be legal and binding upon these Assurers for all the purposes of the suit. Final judgment against these Assurers in any such suit shall be conclusive; and it may be enforced in any other jurisdictions, including Great Britain, by suit on the Judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of this indebtedness. The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any person succeeding to the rights of any such mortgagee.

Applicable to Policies Subject to Section 59-A of the Insurance Law of the State of New York.

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the (re)insured or any beneficiary hereunder arising out of this contract of (re)insurance.

It is agreed that if the Assured in accordance with permission granted under this Policy shall bring suit hereunder in the United States of America the law to be applied by the Courts in determining liability under the policy shall be the law of the United States of America.

#### NEW YORK SUABLE CLAUSE

The place of physical and actual issue and delivery of this Policy is the City of London, but nevertheless as between the Assured and Underwriters the place of suit hereon shall be deemed the State of New York, United States of America and any suit hereon may be brought against the Underwriters in any court of competent jurisdiction within the United States. The summons and other legal processes may be served on Underwriters by and on behalf of the Assured by mailing a copy thereof by the United States registered mail addressed to Mr. Wilbur H. Hecht, Mr. John A. Curley or Mr. John A. Garrity, all of the Law Firm of Mendes & Mount, 27, William Street, New York City, New York, each of whom Underwriters hereby authorize to accept by and on its behalf such summons and other legal processes against Underwriters in any Court of competent jurisdiction within the United States. The mailing as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by Underwriters as such, and shall be legal and binding upon Underwriters for all the purposes of the suit. Final judgment against Underwriters in any such suit shall be conclusive; and it may be enforced in any other jurisdictions, including Great Britain, by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and the amount of this indebtedness. The right of the Assured to bring Suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any persons succeeding to the rights of any such mortgagee.

The following clause shall apply, but only, if this insurance is affected by the New York Insurance Law.

#### SERVICE OF SUIT CLAUSE

##### NEW YORK

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary arising out of this contract of insurance.

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins.	\$
COMBINED SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE				
COMPREHENSIVE GENERAL LIABILITY	GL 196377	Eff. 5/24/78 Exp. 5/24/79	\$ 1,000,000 Each occurrence \$ ,000 Aggregate	\$ INCL. ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate†	\$ ,000 Each occurrence \$ ,000 Aggregate†
CONTRACTUAL LIABILITY	INCLUDED	Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

† Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: May 31, 1978

Name of  
Company: MIDLAND INSURANCE COMPANY

*[Signature]*  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Supervisor of Shipbuilding  
Conversion and Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va. 23705

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
WORKMEN'S COMPENSATION	WS 330324	Eff. 2/3/76 Exp. 3/1/77	Provided by Workmen's Compensation Law—State of \$2,000,000. ea. occ.	NIL excess of \$150,000 retention.
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each accident	\$ ,000 Each accident
COMPREHENSIVE AUTOMOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N62678-75-C-0034 dated 7/17/74  
Contract No. N62678-70-C-0020 dated 8/30/69

thirty-days  
Dated: March 23, 1976

Name of Company: Midland Insurance Company

*Midland Insurance Agency, Inc.*  
AUTHORIZED REPRESENTATIVE

## CERTIFICATE ISSUED TO:

NAME and ADDRESS Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, G.C. 20360

VIA Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Virginia 23705  
Attention: Mr. R. S. Gray

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WS 330 220	Eff. 3/1/78 Exp. 3/1/79	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000 ea.occ.	\$ Excess of \$500,000 retention
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

1 Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~provide~~ <sup>provide</sup> ~~to give~~ <sup>give</sup> written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N62678-76-C-0036  
Dated 7/14/75

Dated: March 22, 1978  
Name of Company: MIDLAND INSURANCE COMPANY

  
AUTHORIZED REPRESENTATIVE

**CERTIFICATE ISSUED TO:**

NAME and ADDRESS Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P. O. Box 2100  
Norfolk, Va. 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff.	Workmen's Compensation Ins.	STATUTORY
		Exp.	Employers' Liability Ins.	\$
		BODILY INJURY	PROPERTY DAMAGE	
COMPREHENSIVE GENERAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
		Exp.	\$ ,000 Each occurrence	
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
		Exp.	\$ ,000 Each occurrence	
OTHER: Comprehensive General & Blanket Contractual Liability	GL196252	Eff. 4-22-77 Exp. 4-22-78	\$1,000,000. Single Limit	Bodily Injury and Property Damage

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Thirty(30) Days written notice will be given  
Contract No. N00033-70-C0038  
Date 8-30-69

Dated: 4-12-77

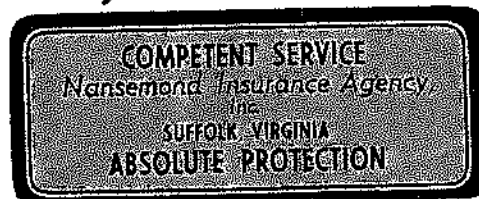
Name of  
Company: **MIDLAND INSURANCE COMPANY**

*[Signature]*  
AUTHORIZED REPRESENTATIVE

## CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Department of the Navy  
Military Sealift Command, Atlantic  
58th St. & First Ave.  
Brooklyn, New York 11250  
VIA: Office of Naval Material  
Insurance Branch, Washington, D.C.



# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WG 330 333	Eff. 3/1/77 Exp. 3/1/78	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000. ea. occ.	Excess of \$200,000 retention
			<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

Thirty Days

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N00033-70-C0038  
Dated 8/30/69

Dated: March 10, 1977

Name of  
Company:

MIDLAND INSURANCE COMPANY, Inc.  
*Norfolk Insurance Company, Inc.*

By [Signature] Agent

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11250  
VIA Office of Naval Material  
Insurance Branch, Washington D. C.

# **CERTIFICATE OF INSURANCE**

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P. O. Box 2100  
Norfolk, Va. 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
			Workmen's Compensation Ins. Employers' Liability Ins.	STATUTORY
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.		\$
			<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehensive General & Blanket Contractual Liability	GL196252	Eff. 4-22-77 Exp. 4-22-78	\$1,000,000. Single Limit	Bodily Injury and Property Damage

† Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: 4-12-77

Name of  
Company: **MIDLAND INSURANCE COMPANY**

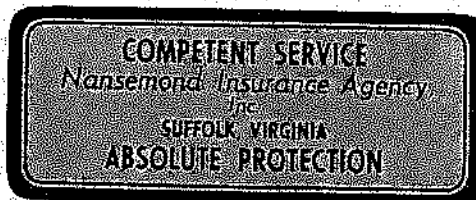
*[Signature]*  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

Enclosure (7)





*Nansmond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

April 12, 1977

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

Re: Norfolk Shipbuilding & Drydock Corp.  
Certificate of Insurance  
General Liability

Gentlemen:

We are attaching Certificate of Insurance for the above captioned insured under Midland Insurance Company Policy No. GL196252 for the period 4-22-77/78 which replaces the one you now hold.

We trust you will find the enclosed in order.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.

Mrs. Betty Ivey

Commercial Lines Coordinator

bi  
enc.

.. COMPETENT SERVICE ..

TALBOT, BIRD & CO., INC.  
INSURANCE UNDERWRITERS

HEAD OFFICE: 156 William Street, New York, N.Y. 10038  
CALIFORNIA BRANCH: 450 Sansome Street, San Francisco, Cal. 94111  
SERVICE OFFICE (CAL. BR.): 1212 South Flower Street, Los Angeles, Cal. 90015  
NORTHWEST BRANCH: 928 White-Henry-Stuart Bldg., Seattle, Wash. 98101  
MIDDLEWEST BRANCH: 175 West Jackson Blvd., Chicago, Ill. 60604  
SOUTHEASTERN BRANCH: 5410 Mariner Street, Tampa, Fla. 33609  
NEW ENGLAND BRANCH: 25 New Chardon Street, Boston, Mass. 02114  
SOUTHWESTERN BRANCH: 901 Expressway Tower, Dallas, Texas 75206

COMPLETE SERVICE  
Nansemond Insurance Agency, Inc.  
SUFFOLK, VIRGINIA  
ABSOLUTE PROTECTION

## CERTIFICATE OF INSURANCE

This Certificate is furnished simply as a matter of convenience to its holder(s) and gives information as to the issuance of below mentioned policy, and sets forth certain features of the coverage as stated in said policy as it stands as of the date of issue hereof. This Certificate confers no rights on the holder(s). Said Policy is subject to endorsement, alteration, transfer, assignment and cancellation without notice to the holder(s) of this Certificate.

Date of Issue April 5 1977

THIS IS TO CERTIFY, that the Northwestern National Insurance Company  
, has issued Policy No. N 13036 to

Norfolk Shipbuilding & Drydock Corporation Assured

P.O. Box 2100, Norfolk, Virginia 23501 Address

Covering on Owned vessels and such "held covered" notice on chartered or  
rented vessels.

Insuring against Protection and Indemnity - Loss of life or injury or damage  
to property.

For an amount not to exceed \$1,000,000.00, subject to \$5,000.00 Deductible.  
Dollars

From April 21 1977, to April 21 1978, at noon.

This Certificate issued to: Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, VA 23705

Nansemond Insurance Agency, Inc.

By Jacob C. [Signature] Agent

Enclosure (2)



*Nansemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

April 21, 1977

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va. 23705

Re: Norfolk Shipbuilding & Drydock Corp.  
Protection and Indemnity  
Certificate of Insurance  
4-21-77/78

Gentlemen:

We are attaching Certificate of Insurance for the captioned insured's Protection and Indemnity Coverage which is covered in the Northwestern National Insurance Company under Policy No. N 13036, effective 4-21-77 and replaces the one you are now holding.

We trust you will find this in order and if we may be of further service, please advise.

Very truly yours,

*Betty Ivey*

NANSEMOND INSURANCE AGENCY, INC.

Mrs. Betty Ivey

...COMPETENT SERVICE...

Commercial Lines Coordinator

bi enc.

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WC 330 333	Eff. 3/1/77 Exp. 3/1/78	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000. ea. occ.	\$ Excess of \$200,000 retention
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate†
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

† Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

Thirty Days

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N62678-76-G-0036  
Dated: 7/14/75

Dated: March 10, 1977

Name of  
Company:

Norfolk Insurance Company, Inc.

By [Signature] Agent

## CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360

VIA: Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P.O. Box 215, Portsmouth, Va. 23705  
Att: Mr. R. S. Gray

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WC 330 333	Eff. 3/1/77 Exp. 3/1/78	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000. ea. occ.	Excess of \$200,000 retention
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	BODILY INJURY \$ ,000 Each occurrence \$ ,000 Aggregate	PROPERTY DAMAGE \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

Thirty Days

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~immediately~~ give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N62678-76-C-0036  
Dated: 7/14/75

Dated: March 10, 1977

Name of  
Company:

National Insurance Company, Inc.

By [Signature] Agent

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360

VIA: Supervisor of Shipbuilding  
Conversion & Repairs, USN  
Fifth Naval District  
P.O. Box 215, Portsmouth, Va. 23705  
Att: Mr. R. S. Gray

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS  
Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WC 330 333	Eff. 3/1/77 Exp. 3/1/78	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000. ea. occ.	Excess of \$200,000 retention
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	BODILY INJURY \$ ,000 Each occurrence \$ ,000 Aggregate	PROPERTY DAMAGE \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: March 10, 1977

Name of Company: **MIDLAND INSURANCE COMPANY, Inc**  
By: *[Signature]* Agent

CERTIFICATE ISSUED TO:

NAME and ADDRESS  
Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va. 23705  
Enclosure ( )

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
WORKMEN'S COMPENSATION	WS 330324	Eff. 3/1/76 Exp. 3/1/77	Provided by Workmen's Compensation Law—State of \$2,000,000. ea. occ. excess of	NIL \$150,000.
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence \$ ,000 Aggregate	Retention \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each accident	\$ ,000 Each accident
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehen- sive General Liability	MC 1765	Eff. 4/21/76 Exp. 4/21/77	\$1,000,000 Single Limit	Bodily Injury & Property Damage

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated:

Name of Company: Maryland Casualty Co. - MC1765  
Midland Insurance Company - WS330324

Nansen and Insurance Agency, Inc.

By

AUTHORIZED REPRESENTATIVE

Agent

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

Enclosure

UNIFORM PRINTING  
DIVISION  
AND SUPPLY DIVISION

# **CERTIFICATE OF INSURANCE**

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

NORFOLK SHIPBUILDING & DRYDOCK  
P. O. BOX 2100  
NORFOLK, VIRGINIA

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
			Workmen's Compensation Ins. Employers' Liability Ins.	STATUTORY
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.		\$
			<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehensive General & Blanket Contractual Liability	GL 190179	Eff. 4/22/76 Exp. 4/22/77	\$1,000,000 Single Limit	Bodily Injury & Property Damage

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated:

Name of  
Company: **MIDLAND INSURANCE COMPANY**

  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P. O. Box 215  
Portsmouth, Va. 23705

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

NORFOLK SHIPBUILDING & DRYDOCK CORP.  
P.O. BOX 2100  
NORFOLK, VIRGINIA

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff.	Workmen's Compensation Ins.	STATUTORY
		Exp.	Employers' Liability Ins.	\$
			BODILY INJURY	PROPERTY DAMAGE
COMPREHENSIVE GENERAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
AUTOMOBILE LIABILITY		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
<input type="checkbox"/> Owned Automobiles		Exp.	\$ ,000 Each occurrence	
<input type="checkbox"/> Hired Automobiles				
<input type="checkbox"/> Non-Owned Automobiles				
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
		Exp.	\$ ,000 Each occurrence	
OTHER:		Eff. 4/22/76	\$1,000,000 Single Limit	Bodily Injury & Property Damage
Comprehensive Gen. GL 190179		Exp. 4/22/77		
& Blanket Contractual				

† Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~30 days~~ give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.



Dated: August 19, 1976

Name of Company: MIDLAND INSURANCE COMPANY

*[Signature]*  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO:

Department of the Navy  
Military Sealift Command  
Atlantic  
58th Street & First Ave.  
Brooklyn, New York 11250  
Via Office of Naval Material  
Insurance Branch, Washington, D.C.

NAME  
and  
ADDRESS

Contract No.  
N00033-70-C0038

Date  
8/30/69

## CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS Norfolk Shipbuilding and Drydock Corp.  
Post Office Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins.	\$
			<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
COMPREHENSIVE GENERAL LIABILITY	GAL-672-7175512	Eff. 4/22/75 Exp. 4/22/76	\$ * ,000 Each occurrence \$ ,000 Aggregate	\$ * ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.	*\$1,000,000 Bodily Injury and/or Property Damage *\$1,000,000 Annual Aggregate	

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company. 30 days notice will be given you at the address below

N62678-75-C-0034 dated 7/17/74

&amp;

N62678-70-C-0020 dated 8/30/69

Dated:

April 23, 1975

Name of  
Company:

FOREMOST INSURANCE COMPANY

*Michael A. Orlando*  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO: Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360

Via Supervisor of Shipbuilding  
Conversion & Repair, USN -  
Fifth Naval District  
Box 215, Portsmouth, Va. 23705  
Attn: Mr. R. S. Gray

NAME  
and  
ADDRESS

*foremost*<sup>®</sup>  
INSURANCE COMPANY  
GRAND RAPIDS, MICHIGAN, U.S.A. 49501  
A STOCK COMPANY

# GENERAL- AUTOMOBILE LIABILITY POLICY

*foremost*<sup>®</sup>  
INSURANCE COMPANY  
GRAND RAPIDS, MICHIGAN, U.S.A. 49501

COMPETENT SERVICE  
*Nansemond Insurance Agency, Inc.*  
SUFFOLK, VIRGINIA  
ABSOLUTE PROTECTION

PLEASE READ YOUR POLICY

Printed in U.S.A.

# FOREMOST INSURANCE COMPANY

GRAND RAPIDS, MICHIGAN, U.S.A. 49501

(A stock insurance company, herein called the company)

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, the named insured agrees with the named insured as follows:

## Supplementary Payments

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured

because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the insured for first aid to others at the time of accident, for bodily injury to which this policy applies;

(d) reasonable expenses incurred by the insured at the company's request assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

## Definitions

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"collapse hazard" includes "structural property damage" as defined herein and property damage to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard or the underground property damage hazard, or (3) for which liability is assumed by the insured under an incidental contract;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed,
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

(a) operations in connection with the transportation of property, unless the liability for injury or property damage arises out of a condition in or on a vehicle or by the loading or unloading thereof,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company manual specifies "including completed operations";

"elevator" means any hoisting or lowering device to connect floors or land whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter exclusively for carrying property and having a compartment height not exceeding four feet;

"explosion hazard" includes property damage arising out of blasting or explosion. The explosion hazard does not include property damage (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (2) arising out of operations performed for the named insured by independent contractors, or (3) included within the completed operations hazard or the underground property damage hazard, or for which liability is assumed by the insured under an incidental contract;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured under the "Persons Insured" provision of the applicable insurance coverage. The insured afforded applies separately to each insured against whom claim is made or su brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the purpose of affording mobility to equipment of the following types forming

GENERAL-AUTOMOBILE  
LIABILITY  
POLICY  
PROVISIONS  
PART ONE

GENERAL - AUTOMOBILE  
LIABILITY POLICY

DECLARATIONS	POLICY NUMBER <b>GAL- 672- 7170512</b>				
<b>Item 1. Named Insured and Address:</b> (No., Street, Town or City, County, State) Norfolk Shipbuilding and Drydock Corporation Post Office Box 2100 Norfolk, Virginia					
New Renewal of Number					
<b>Item 2. Policy Period:</b> (Mo., Day Yr.) From April 22, 1975 to April 22, 1976 12:01 A.M., standard time at the address of the named insured as stated herein.					
007					
The named insured is: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Joint Venture <input type="checkbox"/> Other:					
Business of the named insured is: (ENTER BELOW)      Audit Period: Annual, unless otherwise stated (ENTER BELOW)					
<b>Item 3. The insurance afforded is only with respect to the following Coverage Part(s) indicated by specific premium charge(s).</b>					
Advance Premiums	Coverage Part No(s).	Coverage Part(s)	Advance Premiums	Coverage Part No(s).	Coverage Part(s)
\$		Automobile Medical Payments Insurance	\$		Hospital Professional Liability Insurance
\$		Automobile Physical Damage Insurance (Dealers)	\$		Manufacturers' and Contractors' Liability Insurance
\$		Automobile Physical Damage Insurance (Fleet Automatic)	\$		Owner's and Contractor's Protective Liability Insurance
\$		Automobile Physical Damage Insurance (Non-Fleet)	\$		Owners', Landlords' and Tenants' Liability Insurance
\$		Basic Automobile Liability Insurance	\$ Included	L-9288	Personal Injury Liability Insurance
\$		Completed Operations and Products Liability Insurance	\$		Physicians', Surgeons' and Dentists' Professional Liability Insurance
\$		Comprehensive Automobile Liability Insurance	\$		Premises Medical Payments Insurance
\$ 70,225.00	L-6395	Comprehensive General Liability Insurance	\$		Special Protective and Highway Liability Insurance New York Department of Transportation
\$		Comprehensive Personal Insurance	\$		Storekeeper's Insurance
\$ Included	L-6400	Contractual Liability Insurance	\$		Uninsured Motorists Insurance
\$		Druggists' Liability Insurance	\$		
\$		Elevator Collision Insurance	\$		
\$		Farm Employers' Liability and Farm Employees' Medical Payments Insurance	\$		
\$		Farmer's Comprehensive Personal Insurance	\$		
\$		Farmer's Medical Payments Insurance	\$		
\$		Garage Insurance	\$		
Form numbers of endorsements, other than those entered on Coverage Part(s), attached at issue					
\$ 3439, Endorsements 1 thru 9					
\$ 70,225.00 <del>Basic Rate</del> Premium for this policy.      Minimum and Deposit Premium					
* If the Policy Period is more than one year and the premium is to be paid in installments, premium is payable on: Effective Date      1st Anniversary      2nd Anniversary \$                      \$                      \$					
<b>Item 4. During the past three years no insurer has cancelled insurance, issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein.</b>					

Countersigned: May 23, 1975  
th

\*Not applicable in Texas.

By Michael A. Orlando  
Authorized Representative

L 6480  
(Ed. 1-73)

## SCHEDULE

Coverages	Limits of Liability		Advance Premiums
	each occurrence	aggregate	
Y—Contractual Bodily Injury Liability	\$ AS PER	<del>                    </del>	\$ Included
Z—Contractual Property Damage Liability	\$ ENDORSEMENT #1	\$ 1	\$ Included
Form numbers of endorsements attached at issue			\$
Total Advance Premium			\$ Included

இருவரும்

## COVERAGE Z—CONTRACTUAL LIABILITY

The company will pay on behalf of the insured all sums which the insured, by reason of contractual liability assumed by him under a contract designated in the schedule for this insurance, shall become legally obligated to pay as damages because of

Y. bodily injury or

Z. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

### Exclusions

This insurance does not apply:

(a) if the insured or his indemnitee is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering of or the failure to render professional services by such insured or indemnitee, including

(1) the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications; and

(2) supervisory, inspection or engineering services;

(b) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;

(c) to bodily injury or property damage for which the indemnitee may be held liable

(1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

(2) if not so engaged, as an owner or lessor of premises used for such purposes,

if such liability is imposed

(i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

but part (ii) of this exclusion does not apply with respect to liability of the indemnitee as an owner or lessor described in (2) above;

(d) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(e) to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

(f) to property damage to

(1) property owned or occupied by or rented to the insured,

(2) property used by the insured, or

(3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;

(g) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;

(h) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(i) to property damage to the named insured's products arising out of such products or any part of such products;

(j) to property damage to work performed by or on behalf of the named insured

equipment furnished in connection therewith;

(k) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(l) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;

(m) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(n) to property damage included within (1) the explosion hazard, (2) the collapse hazard, or (3) the underground property damage hazard.

### II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

(a) if the named insured is designated in the declarations as an individual, the person so designated and his spouse;

(b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

### III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

**Coverage Y**—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as a result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

**Coverage Z**—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies shall not exceed the limit of property damage liability stated in the schedule as "aggregate". Such aggregate limit of liability applies separately with respect to each project away from premises owned by or rented to the named insured.

**Coverages Y and Z**—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

### IV. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"contractual liability" means liability expressly assumed under a written contract or agreement; provided, however, that contractual liability shall not be construed as including liability under a warranty of the fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

### V. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs within the policy territory.

### VI. ADDITIONAL CONDITION

#### Arbitration

The company shall be entitled to exercise all of the insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

AMERICAN OVERSEAS  
INSURANCE COMPANY  
[AUTHENTIC]  
NEW BRUNSWICK DIVISION

ENDORSEMENT #1

This endorsement, effective April 22, 1975, forms a part of policy No.  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is agreed that the Company will not cancel this policy or reduce the Insurance afforded herein until at least thirty (30) days written notice of such cancellation or reduction has been mailed to the following interests at the address stated below:

LIST OF MASTER CONTRACTS

<u>FILING TO:</u>	<u>SPECIAL PROVISIONS:</u>	<u>CONTRACT NO:</u>	<u>DATE:</u>
Contracting officer U.S. Army troop support command att- ention: AMSTS-PDC-O, 4300 Goodfellow Boulevard, St. Louis, Missouri 63120	30 days	DAAK-01-70-C-4461	1/27/70
Department of the Navy Military sealift command Atlantic, 58th Street & First Avenue, Brooklyn, New York 11250 Via office of Naval material Insurance Branch, Washington, D.C.	30 days	N00033-70-00038	8/30/69
Mr. K.H. Green, Director Office of Marine Insurance, U.S. Depart- ment of Commerce Maritime admin. Room 3618, Washington, D.C. 20230	30 days Send copy of policy	MA-221	10/15/51
Department of the Navy, Office of Naval Material Contract Insurance Branch, Washington, D.C. 20360	30 days Send copy of policy	N62678-75-C-0034 N62678-70-C-0020	7/17/74 8/30/69
VIA: Supervisor of Shipbuilding Conversion & Repair, USN Fifth Naval District Box 215, Portsmouth, VA. 23705 Att: Mr. R.S. Gray			

ENDORSEMENT #1

This endorsement, effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

LIST OF MASTER CONTRACTS

<u>FILING TO:</u>	<u>SPECIAL PROVISIONS:</u>	<u>CONTRACT NO:</u>	<u>DATE:</u>
U.S. Army Engineers Norfolk District Foot of Front Street, Norfolk, Virginia	30 days	DACW65-67-C-0027	5/2/67
U. S. Army Engineers, Philadelphia District Custom House, 2nd & Chestnut Streets, Philadelphia, Pa. 19106	30 days	DACW61-70-A-0011	1/19/70
U.S. Army Engineers, Savannah District, 200 East Street. Julian Street Savannah, Georgia	30 days	DACW-21-68-C-0020	10/3/67
U.S. Army Engineers, Wilmington District 308 Custom House Wilmington, N.C.	30 days	DA-31-075-CIVENG-58-31	11/5/57
U.S. Army Engineers Jacksonville District Post Office Box 4970 Jacksonville, Florida 32201	30 days	DACW-17-70-C-0040	1/20/70

This endorsement, effective April 22, 1975, forms a part of policy No.  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

LIST OF MASTER CONTRACTS

<u>FILING TO:</u>	<u>SPECIAL PROVISIONS:</u>	<u>CONTRACT NO:</u>	<u>DATE:</u>
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Box 3840 Woods Hole, Massacuhsetts	No notice		
Director Insurance Sea-Land Service, Inc. Post Office Box 1050 Elizabeth, New Jersey 07207	No notice		
Amarada Hess Corporation One Hess Plaza Woodbridge, New Jersey 07095 Att: John Steel, Insurance Administrator Corporate Insurance Department	10 days		
Gulf Oil Trading Company Post Office Box 7880 Philadelphia, Pa. 19101 Att: Mr. H.J. Jacob	10 days		
Mr. D.C. Brown, Mgr. U.S. Fleet Gulf Oil Corporation 1290 Avenue of the Americas Room 3456 New York, New York 10019			
Elizabeth River, Tunnel Commission Barkley Plaza Norfolk, Virginia Att: Mr. Wright	No notice		

ENDORSEMENT #1

This endorsement, effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

LIST OF MASTER CONTRACTS

FILING TO:

SPECIAL PROVISIONS:

CONTRACT NO.:

DATE:

Contracting Section  
Fifth Coast Guard District  
Federal Building  
431 Crawford Street  
Portsmouth, Va. 23705

10 days

SOLICITATION  
XFB-05-70-74

Department of the Navy  
Atlantic Division Naval  
Facilities Engineering  
Norfolk, Va. 23511  
Att: Capt. E.T. Diberto  
Head Management Dept.

CONTRACT REF: LIC  
REPLY TO 071-BS

Department of the Navy  
Atlantic Division  
Naval Facilities Engineering  
Command, Norfolk, Va. 23511  
Att: Mr. R.P. Turner  
New Operations Branch  
Real Estate Division

SEE CERTIFICATE

071-CW:DM:LIC:0-169  
FOR USE OF BLDG. 620  
ST. HELENA ANNEX

Seventeen Battery Place Assoc.  
C/O Arleen Properties, Inc.  
60 E. 56th Street  
New York, New York

RENTAL OF ROOM 1127  
THE SHERATON WHITEHALL BLDG.  
17 Battery Place  
New York, New York

Contract Section  
Fifth Coast Guard District  
Federal Building  
Portsmouth, Virginia 23705

30 days

Jamestown Foundation  
Brewer JF  
Williamsburg, Va. 23185  
Att: J.P. Hobbs

ENDORSEMENT #2

This endorsement effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is agreed that in the event of cancellation or any material change in this policy adversely affecting the interest of the government in this Insurance, thirty (30) days prior written notice will be given to the Department of the Navy Office of Navy Material Contract Insurance Branch, Washington, D.C. 20360.

*Michael A. Cleland*

ENDORSEMENT #3

This endorsement, effective, April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is understood and agreed that the above numbered policy may not be cancelled by The Foremost Insurance Company until the Foremost Insurance Company has mailed written notice to the above Named Insured stating when, but not less than thirty (30) days, thereafter, such cancellation shall be effective. Delivery of such written notice by The Foremost Insurance Company shall be equivalent to mailing.

It is further understood and agreed that as respects non-payment of premium, ten (10) days shall apply.

*Michael A. Beland*

ENDORSEMENT #4

This endorsement, effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

PENSION TRUST AND EMPLOYEE  
BENEFITS LIABILITY EXCLUSION

It is understood and agreed that this policy shall not apply to any Liability arising out of any act, error or omission, or breach of duty of any Insured subject to the employee retirement security act of 1974 with respect to their duties under any pension or employee benefit plans.

*Michael A. Roberts*

ENDORSEMENT #5

This endorsement, effective April 22, 1975, forms a part of policy No;  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is understood and agreed exclusion (E) Watercraft, is hereby  
deleted.

*Michael A. Roberts*

ENDORSEMENT #6

This endorsement, effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is understood and agreed that Contractual Liability Insurance does not apply to any injury to any employee assumed under any contract with the United States Government and all other shipping agencies..

*Michael A. Rolando*

ENDORSEMENT #7

This endorsement, effective April 22, 1975, forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

Notice is hereby accepted that the Insured has entered into a contract called "Department of Defense Master Contract for Repair and Alteration of Vessels (DD-ASPR FROM 731)", and as respect work performed under that contract, this policy is extended to cover the Hold-Harmless Clause No. 10 in said contract, subject to Contractual Liability Insurance attached.

*Michael A. Roberts*

ENDORSEMENT #8

This endorsement, effective April 22, 1975, forms a part of policy No:  
EAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation  
by: Foremost Insurance Company

It is agreed that such Insurance as is afforded by the Property  
Damage Liability coverage does not apply to Property Damage  
included within the Completed Operations Hazard or the Products  
Hazard.

*Michael A. Cleland*

ENDORSEMENT #9

This endorsement, effective April 22, 1975 forms a part of policy No:  
GAL-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

Notwithstanding anything contained in this policy to the contrary, this policy does not cover any Liability imposed by Law on the insured or assumed by the Insured under contract or agreement for Bodily Injury, sickness or disease including death at any time resulting therefrom, sustained by any employee of the Insured or by the Masters or Members of the crew of any Watercraft owned by, leased to, chartered by, used by, or in the care, custody or control of the Insured.

It is understood and agreed that this policy does not cover liability for Bodily Injury to or death of any diver engaged in diving operations.

*Michael A. Rolando*

ENDORSEMENT #10

This endorsement, effective April 22, 1975, forms a part of policy #: GAE-672-7175512

Issued to: Norfolk Shipbuilding and Drydock Corporation

by: Foremost Insurance Company

It is understood and agreed that except insofar as coverage is available to the assured in the underlying insurances as set out in the schedule of underlying policies, this insurance shall not apply to any loss arising out of contamination or pollution.

Notwithstanding the foregoing, it is understood and agreed that this insurance does not apply to bodily injury, personal injury, or property damage arising out of the discharge, dispersal, release or escape of:

(1) Smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

(2) Oil or other petroleum substance or derivative (including any oil refuse or oil mixed with wastes) into or upon any watercourse or body of water, whether or not such discharge, dispersal, release or escape is sudden and accidental, but this exclusion (2) shall apply only with respect to operations described as follows:

DESCRIPTION OF OPERATIONS

Gas Lease Operators-Natural Gas  
Gasoline Recovery-From Casing Head or Natural Gas  
Non-operating Working Interests  
Oil Or Gas Well Shooting  
Oil Or Gas Wells-Acidizing  
Oil Or Gas Wells-Cementing  
Oil Or Gas Wells-Cleaning or Swabbing-By Contractors  
Oil Or Gas Wells-Drilling or redrilling, installations or recovery of casing  
Oil Or Gas Wells-Instrument Logging Or Survey Work In Wells  
Oil Or Gas Wells-Perforating of Casing  
Oil Lease Operators  
Oil Pipe Lines-Operations, Including Maintenance  
Oil Rig Or Derrick Erecting Or Dismantling-Wood Or Metal-Including Construction Of Foundations Or Structures Or Installation Of Equipment  
Oil Refining-Petroleum  
Other Petrochemical Operations  
Chemical Manufacturing

Nothing herein contained shall be held to vary, alter waive or extend any of the terms, conditions or limitations of the policy to which this endorsement is attached other than as above stated.

**COMBINED SINGLE LIMIT OF LIABILITY ENDORSEMENT**

In consideration of the premium charged, it is understood and agreed that the limit of the Company's liability for all damages arising out of any one occurrence which may involve one or any combination of coverages contained herein and sustained by one or more persons or organizations shall not exceed the amount shown below. The inclusion of more than one Insured shall not operate to increase the limit of the Company's liability.

Combined Single Limits: \$ 1,000,000      \$ 1,000,000  
EACH OCCURRENCE      AGGREGATE

The above combined single limits are applicable to the coverages and coverage parts shown as "INCLUDED" below:

**Coverages:**

<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Bodily Injury
<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Property Damage
<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Personal Injury
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Professional Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	

**Coverage Parts:**

<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Manufacturers' & Contractors' Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Owners', Landlords' & Tenants' Liability
<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Comprehensive General Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Comprehensive Automobile Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Completed Operations & Products Liability
<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Contractual Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Owners' & Contractors' Protective Liability
<input checked="" type="checkbox"/> Included	<input type="checkbox"/> Excluded	Personal Injury Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Hospital Professional Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Physicians', Surgeons' & Dentists' Professional Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	Miscellaneous Professional Liability
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	
<input type="checkbox"/> Included	<input type="checkbox"/> Excluded	

NOTHING HEREIN CONTAINED SHALL BE HELD TO WAIVE, ALTER, VARY OR EXTEND ANY AGREEMENTS  
CONDITIONS OR TERMS OF THIS POLICY EXCEPT AS HEREIN STATED.

**INFORMATION BELOW MUST BE COMPLETED IF THIS ENDORSEMENT IS ISSUED SUBSEQUENT TO ISSUANCE OF THE POLICY**

THIS ENDORSEMENT FORMS PART OF POLICY NUMBER  GAL-672-7175512	ISSUED TO  Norfolk Shipbuilding and Drydock Corporation	DATE PREPARED  May 23, 1975	AND SHALL BE EFFECTIVE AT 12:01 A.M. STANDARD TIME  April 22, 19 75
	COUNTERSIGNED AT	SIGNED BY AUTHORIZED REPRESENTATIVE  Michael A. Orlando	
		AGENT CODE NO.	

For attachment to Policy No. GAL-672-7175512, to complete said policy.

## SCHEDULE

Coverage		Limits of Liability	
P—Personal Injury Liability	AS PER ENDORSEMENT #1	thousand dollars aggregate	% Insured's Participation
The insurance afforded is only with respect to personal injury arising out of an offense included within such of the following groups of offenses as are indicated by specific premium charge or charges.			
Groups of Offenses			Advance Premiums
A. False Arrest, Detention or Imprisonment, or Malicious Prosecution			\$ INCLUDED
B. Libel, Slander, Defamation or Violation of Right of Privacy			\$ INCLUDED
C. Wrongful Entry or Eviction or Other Invasion of Right of Private Occupancy			\$ INCLUDED
Form numbers of endorsements attached at issue.			
			\$
Total Advance Premium			\$ INCLUDED
Minimum Premium			\$ AS PER ENDT.

## I. COVERAGE P—PERSONAL INJURY LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of injury (herein called "personal injury") sustained by any person or organization and arising out of one or more of the following offenses committed in the conduct of the named insured's business:

- Group A—false arrest, detention or imprisonment, or malicious prosecution;
- Group B—the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy, except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named insured;
- Group C—wrongful entry or eviction, or other invasion of the right of private occupancy;

if such offense is committed during the policy period within the United States of America, its territories or possessions, or Canada, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such personal injury even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

## Exclusions

This insurance does not apply:

- to liability assumed by the insured under any contract or agreement;
- to personal injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured;
- to personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the named insured;
- to personal injury arising out of any publication or utterance described in Group B, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

- to personal injury arising out of a publication or utterance described in Group B concerning any organization or business enterprise, or its products or services, made by or at the direction of any insured with knowledge of the falsity thereof.

## II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- if the named insured is designated in the declarations as an individual, the person so designated and his spouse;
- if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to personal injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

## III. LIMITS OF LIABILITY; INSURED'S PARTICIPATION

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain personal injury, or (3) claims made or suits brought on account of personal injury, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of personal injury liability stated in the schedule as "aggregate".

If a participation percentage is stated in the schedule for the insured, the company shall not be liable for a greater proportion of any loss than the difference between such percentage and one hundred percent and the balance of the loss shall be borne by the insured; provided, the company may pay the insured's portion of a loss to effect settlement of the loss; and, upon notification of the action taken, the named insured shall promptly reimburse the company therefor.

## IV. ADDITIONAL DEFINITION

When used in reference to this insurance:

"damages" means only those damages which are payable because of personal injury arising out of an offense to which this insurance applies.

COMPREHENSIVE GENERAL LIABILITY INSURANCE

For attachment to Policy No. GAL-672-1175512 to complete said policy.

ADDITIONAL DECLARATIONS

Location of all premises owned by, rented to or controlled by the named insured (ENTER "SAME" IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1 OF DECLARATION(S))

Same

Interest of named insured in such premises (CHECK BELOW)

☒ Owner ☐ General Lessee ☐ Tenant ☐ Other

Part occupied by named insured (ENTER BELOW)

All

The following discloses all hazards insured hereunder known to exist at the effective date of this policy, unless otherwise stated herein.

SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Coverages	Limits of Liability		Advance Premiums
	each occurrence	aggregate	
A—Bodily Injury Liability	\$ AS PER ENDORSEMENT #1		\$ 55,458.00
B—Property Damage Liability	\$	\$	\$ 14,767.00
Form numbers of endorsements attached at issue			\$
Minimum and Deposit		Minimum Premium	\$ 70,225.00

Description of Hazards	Code No.	Premium Bases	Rates		Advance Premiums	
			B.I.	P.D.	Bodily Injury	Property Damage
Premises - Operations						
All operations of the Named Insured	c).	17,874,000	.07977	.08262	14,258.	14,767.
	(a) Area (Sq. Ft.) (b) Frontage (c) Remuneration (d) Receipts (e) Units (f) Admissions	(a) Per 100 Sq. Ft. of Area (b) Per Linear Foot (c) Per \$100 of Remuneration (d) Per \$100 of Receipts (e) Per Unit (f) Per 100 Admissions				
Escalators (Number at Premises)	Number Insured	Per Landing				
	INCLUDED IN COMPOSITE RATE					
Independent Contractors	Cost	Per \$100 of Cost				
	INCLUDED IN COMPOSITE RATE					
Completed Operations	(a) Receipts	(a) Per \$1,000 of Receipts				
	INCLUDED IN COMPOSITE RATE					
Products	(b) Sales	(b) Per \$1,000 of Sales				
	51,000,000	.80784	N/A		41,200.	N/A
Minimum and Deposit			Minimum Advance B.I. and P.D. Premiums		\$ 55,458.	\$ 14,767.

When used as a premium basis:

- "admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes;
- "cost" means the total cost to the named insured with respect to operations performed for the named insured during the policy period by independent contractors of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or subcontractor, including all fees, allowances, bonuses or commissions made, paid or due;
- "receipts" means the gross amount of money charged by the named insured for such operations by the named insured or by others during the policy period as are rated on a receipts basis other than receipts from telecasting, broadcasting or motion pictures, and includes taxes, other than taxes which the named insured collects as a separate item and remits directly to a governmental division;
- "remuneration" means the entire remuneration earned during the policy period by proprietors and by all employees of the named insured, other than chauffeurs (except operators of mobile equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation of remuneration rule applicable in accordance with the manuals in use by the company;
- "sales" means the gross amount of money charged by the named insured or by others trading under his name for all goods and products sold or distributed during the policy period and charged during the policy period for installation, servicing or repair, and includes taxes, other than taxes which the named insured and such others collect as a separate item and remit directly to a governmental division.

**COVERAGE A—BODILY INJURY LIABILITY**  
**COVERAGE B—PROPERTY DAMAGE LIABILITY**

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

- A. bodily injury or
- B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages in account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

**Exclusions**

This insurance does not apply:

- a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - (1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or
  - (2) any other automobile or aircraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;
- c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;
- d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;
- e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - (1) any watercraft owned or operated by or rented or loaned to any insured, or
  - (2) any other watercraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;
- f) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:
  - (1) liability assumed by the insured under an incidental contract, or
  - (2) expenses for first aid under the Supplementary Payments provision;
- h) to bodily injury or property damage for which the insured or his indemnitee may be held liable:
  - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
  - (2) if not so engaged, as an owner or lessor of premises used for such purposes,if such liability is imposed:
  - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
  - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;but part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;
- i) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- k) to property damage to:
  - (1) property owned or occupied by or rented to the insured,
  - (2) property used by the insured, or
  - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;
- l) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- m) to loss of use of tangible property which has not been physically injured or destroyed resulting from:
  - (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
  - (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the

named insured after such products or work have been put to use by any person or organization other than an insured;

- (n) to property damage to the named insured's products arising out of such products or any part of such products;
- (o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (q) to property damage included within:
  - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "x",
  - (2) the collapse hazard in connection with operations identified in this policy by a classification code number which includes the symbol "c",
  - (3) the underground property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "u".

**II. PERSONS INSURED**

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
- (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (d) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and
- (e) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law:
  - (i) an employee of the named insured while operating any such equipment in the course of his employment, and
  - (ii) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be an insured under this paragraph (e) with respect to:
  - (1) bodily injury to any fellow employee of such person injured in the course of his employment, or
  - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

**III. LIMITS OF LIABILITY**

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

**Coverage A**—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

**Coverage B**—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate".

- (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

**Coverages A and B**—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

**IV. POLICY TERRITORY**

This insurance applies only to bodily injury or property damage which occurs within the policy territory.

al part of or permanently attached to such vehicle: power cranes, shovels, s, diggers and drills; concrete mixers (other than the mix-in-transit type); s, scrapers, rollers and other road construction or repair equipment; air-essors, pumps and generators, including spraying, welding and building g equipment; and geophysical exploration and well servicing equipment;

med insured" means the person or organization named in Item 1. of the ations of this policy;

med insured's products" means goods or products manufactured, sold, d or distributed by the named insured or by others trading under his name, ng any container thereof (other than a vehicle), but "named insured's ts" shall not include a vending machine or any property other than such her, rented to or located for use of others but not sold;

urrence" means an accident, including continuous or repeated exposure to ns, which results in bodily injury or property damage neither expected nor ed from the standpoint of the insured;

icy territory" means:

United States of America, its territories or possessions, or Canada, or ernational waters or air space, provided the bodily injury or property damage s not occur in the course of travel or transportation to or from any other ntry, state or nation, or

where in the world with respect to damages because of bodily injury or erty damage arising out of a product which was sold for use or consump-

tion within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

"underground property damage hazard" includes underground property damage as defined herein and property damage to any other property at any time resulting therefrom. "Underground property damage" means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The underground property damage hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard, or (3) for which liability is assumed by the insured under an incidental contract.

### Conditions

**Premium.** All premiums for this policy shall be computed in accordance with npany's rules, rates, rating plans, premiums and minimum premiums applicable insurance afforded herein.

ium designated in this policy as "advance premium" is a deposit premium hich shall be credited to the amount of the earned premium due at the the policy period. At the close of each period (or part thereof terminating e end of the policy period) designated in the declarations as the audit the earned premium shall be computed for such period and, upon notice to the named insured, shall become due and payable. If the total earned m for the policy period is less than the premium previously paid, the com- hall return to the named insured the unearned portion paid by the named

named insured shall maintain records of such information as is necessary mium computation, and shall send copies of such records to the company end of the policy period and at such times during the policy period as the y may direct.

**Inspection and Audit.** The company shall be permitted but not obligated to the named insured's property and operations at any time. Neither the com- right to make inspections nor the making thereof nor any report thereon nstitute an undertaking, on behalf of or for the benefit of the named r others, to determine or warrant that such property or operations are healthful, or are in compliance with any law, rule or regulation.

company may examine and audit the named insured's books and records, time during the policy period and extensions thereof and within three years e final termination of this policy, as far as they relate to the subject of this insurance.

**Financial Responsibility Laws.** When this policy is certified as proof of if responsibility for the future under the provisions of any motor vehicle d responsibility law, such insurance as is afforded by this policy for bodily liability or for property damage liability shall comply with the provisions of w to the extent of the coverage and limits of liability required by such law. ured agrees to reimburse the company for any payment made by the com- hich it would not have been obligated to make under the terms of this xcept for the agreement contained in this paragraph.

**Insured's Duties in the Event of Occurrence, Claim or Suit.**

the event of an occurrence, written notice containing particulars sufficient identify the insured and also reasonably obtainable information with spect to the time, place and circumstances thereof, and the names and dresses of the injured and of available witnesses, shall be given by or for a insured to the company or any of its authorized agents as soon as acticable.

claim is made or suit is brought against the insured, the insured shall im- ediate forward to the company every demand, notice, summons or other ocess received by him or his representative.

e insured shall cooperate with the company and, upon the company's quest, assist in making settlements, in the conduct of suits and in enforcing y right of contribution or indemnity against any person or organization who ay be liable to the insured because of injury or damage with respect to hich insurance is afforded under this policy; and the insured shall attend arings and trials and assist in securing and giving evidence and obtaining e attendance of witnesses. The insured shall not, except at his own cost,

voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

**5. Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impeached by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

**6. Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

**7. Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

**8. Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the company.

**9. Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall

scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

**0. Three Year Policy.** If this policy is issued for a period of three years any part of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

**1. Cancellation.** This policy may be cancelled by the named insured by surrender hereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than ten days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid

IN WITNESS WHEREOF, the company has caused this policy to be signed by its president and secretary but this policy shall not be valid unless completed by the attachment hereto of a declarations page designated as Part Two and Coverage Parts) and countersigned on the aforesaid declarations page by a duly authorized representative of the company.

*Jack A. Siebers*  
Secretary

*R. E. Richel*  
President

This endorsement modifies the provisions of the policy relating to ALL AUTOMOBILE LIABILITY, GENERAL LIABILITY AND MEDICAL PAYMENTS INSURANCE OTHER THAN COMPREHENSIVE PERSONAL AND FARMER'S COMPREHENSIVE PERSONAL INSURANCE.

### *Nuclear Energy Liability Exclusion Endorsement--Broad Form*

is agreed that:

The policy does not apply:

A. Under any Liability Coverage, to bodily injury or property damage

(1) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

C. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if

(1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) the bodily injury or property damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only

to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

(a) any nuclear reactor;

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste;

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

**NEW YORK**—It is agreed that the provisions of the "Nuclear Energy Liability Exclusion Endorsement—Broad Form", printed above, does not apply in New York with respect to any Automobile Bodily Injury Liability and Automobile Property Damage Liability coverage afforded by this policy.

## INSURANCE UNDERWRITERS

HEAD OFFICE: 156 William Street, New York, N.Y. 10038  
 SAN FRANCISCO BRANCH: 450 Sansome Street, San Francisco, Cal. 94111  
 LOS ANGELES BRANCH: 3250 Wilshire Boulevard, Los Angeles, Calif. 90010  
 NORTHWEST BRANCH: 1415 5th Avenue, Seattle, Wash. 98171  
 MIDDLEWEST BRANCH: 175 West Jackson Blvd., Chicago, Ill. 60604  
 SOUTHEASTERN BRANCH: 5410 Mariner Street, Tampa, Fla. 33609  
 NEW ENGLAND BRANCH: 25 New Chardon Street, Boston, Mass. 02114  
 SOUTHWESTERN BRANCH: 901 Expressway Tower, Dallas, Texas 75206

## CERTIFICATE OF INSURANCE

This Certificate is furnished simply as a matter of convenience to its holder(s) and gives information as to the issuance of below mentioned policy, and sets forth certain features of the coverage as stated in said policy as it stands as of the date of issue hereof. This Certificate confers no rights on the holder(s). Said Policy is subject to endorsement, alteration, transfer, assignment and cancellation without notice to the holder(s) of this Certificate.

Date of Issue April 13, 1978

THIS IS TO CERTIFY, that the Northwestern National Insurance Company

, has issued Policy No. N 13103 to

Norfolk Shipbuilding & Drydock Corporation Assured

P. O. Box 2100, Norfolk, Virginia 23501 Address

Covering on Owned vessels and such "held covered" notice on chartered or  
rented vessels.

Insuring against Protection and Indemnity - Loss of life or injury or damage  
to property.

For an amount not to exceed \$1,000,000.00 subject to \$5,000.00 Deductible  
 \_\_\_\_\_ Dollars

From April 21, 19 78 to April 21, 19 79 at noon.

This Certificate issued to:

Supervisor of Shipbuilding  
 Conversion and Repair, USN  
 Fifth Naval District  
 P. O. Box 215  
 Portsmouth, VA 23705

NORTHWESTERN NATIONAL INSURANCE COMPANY  
 TRUSTEES, ETC., ETC., MARINE MANAGERS

*Paul R. G. [Signature]* Agent

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS NORFOLK SHIPBUILDING & DRYDOCK CORP.  
P.O. BOX 2100  
NORFOLK, VIRGINIA

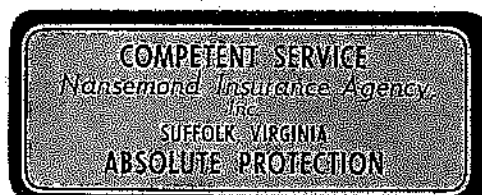
THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
			Workmen's Compensation Ins.	STATUTORY
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.	Employers' Liability Ins.	\$
			<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
<input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles				
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehensive Gen. & Blanket Contractual Liability	GL 190179	Eff. 4/22/76 Exp. 4/22/77	\$1,000,000 Single Limit	Bodily Injury & Property Damage

\*Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~cancel~~ <sup>30 days</sup> give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.



Dated: August 20, 1976

Name of Company: MIDLAND INSURANCE COMPANY

*[Signature]*  
AUTHORIZED REPRESENTATIVE

## CERTIFICATE ISSUED TO:

NAME and ADDRESS Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360  
Via Supervisor of Shipbuilding  
Conversion & Repair, USN  
Fifth Naval District  
Box 215, Portsmouth, Va. 23705

Contract No.  
N62678-75-C-0034  
&  
N62678-70-C-0020

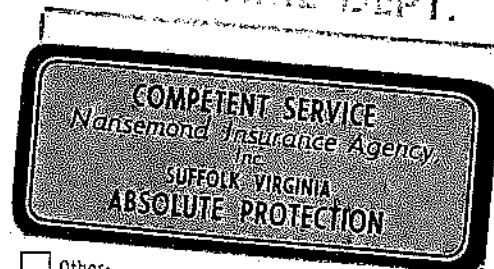
Date  
7/17/74  
8/30/69

ATTN: Mr. R. S. Gray

*N.A. 104*

**GL 190179**

**NANSEMOND INS. AGENCY, INC.**  
**P.O. BOX 1626**  
**SUFFOLK, VIRGINIA 23534**



Item 1. Named Insured and Address: (No., Street, Town or City, County, State)  
**NORFOLK SHIPBUILDING & DRY DOCK CORP.**  
**P.O. BOX 2100**  
**NORFOLK, VIRGINIA**

Item 2. Policy Period: (Mo. Day Yr.)  
 From **4/22/76** to **4/22/77**  
 12:01 A.M., standard time at the address of the named insured as stated herein.

The named insured is:

☐ Individual ☐ Partnership ☒ Corporation ☐ Joint Venture ☐ Other:

Business of the named insured is: (ENTER BELOW)

Item 3. The insurance afforded is only with respect to the Coverage Part(s) indicated below by specific premium charge(s) and attached to and forming a part of this policy.

Advance Premiums	Coverage Part No(s).	Coverage Part(s)	Advance Premiums	Coverage Part No(s).	Coverage Part(s)
\$		Automobile Medical Payments Insurance	\$		Hospital Professional Liability Insurance
\$		Automobile Physical Damage Insurance (Dealers)	\$		Manufacturers' and Contractors' Liability Insurance
\$		Automobile Physical Damage Insurance (Fleet Automatic)	\$		Owner's and Contractor's Protective Liability Insurance
\$		Automobile Physical Damage Insurance (Non-Fleet)	\$		Owners', Landlords' and Tenants' Liability Insurance
\$		Basic Automobile Liability Insurance	\$ <b>INCLUDED</b>	<b>L9287</b>	Personal Injury Liability Insurance
\$		Completed Operations and Products Liability Insurance	\$		Physicians', Surgeons' and Dentists' Professional Liability Insurance
\$		Comprehensive Automobile Liability Insurance	\$		Premises Medical Payments Insurance
\$ <b>72,500.</b>	<b>L6394A</b>	Comprehensive General Liability Insurance	\$		Special Protective and Highway Liability Insurance New York Department of Transportation
\$		Comprehensive Personal Insurance	\$		Storekeeper's Insurance
\$ <b>INCLUDED</b>	<b>L6399</b>	Contractual Liability Insurance	\$		Uninsured Motorists Insurance
\$		Druggists' Liability Insurance	\$		
\$		Elevator Collision Insurance	\$		
\$		Farm Employers' Liability and Farm Employees' Medical Payments Insurance	\$		
\$		Farmer's Comprehensive Personal Insurance	\$		
\$		Farmer's Medical Payments Insurance	\$		
\$		Garage Insurance	\$		

Form numbers of endorsements, other than those entered on Coverage Part(s), attached at issue

1)UND58 2-5)UND262 6)UND261 7)UND262

\$ **72,500.** Total Advance Premium for this policy.  
 \$ **36,250.** Deposit Premium

\* If the Policy Period is more than one year and the premium is to be paid in installments, premium is payable on:

Effective Date 1st Anniversary 2nd Anniversary Audit Period:  
 \$ \$ \$ ☐ Annually; ☐ Monthly; ☐ Quarterly; ☐ Other

Item 4. During the past three years no insurer has cancelled insurance, issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein:

Countersigned: **NEW YORK, N.Y.**  
**5/26/76 sam**

\* Not applicable in Texas

By \_\_\_\_\_ Authorized Representative

## COMPREHENSIVE GENERAL LIABILITY INSURANCE

For attachment to Policy No. GL-190179, to complete said policy.

## ADDITIONAL DECLARATIONS

Location of all premises owned by, rented to or controlled by the named insured (ENTER NAME IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1 OF DECLARATIONS)

Interest of named insured in such premises (CHECK BELOW)

☐ Owner ☐ General Lessee ☐ Tenant ☐ Other

Part occupied by named insured (ENTER BELOW)

The following discloses all hazards insured hereunder known to exist at the effective date of this policy, unless otherwise stated herein.

## SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Advance Premiums	Limits of Liability		Coverages
	each occurrence	aggregate	
\$	\$ AS PER	\$	A—Bodily Injury Liability
\$	\$ ENDT. #1	\$	B—Property Damage Liability
\$	Form numbers of endorsements attached at issue		
\$	Total Advance Premium		

## General Liability Hazards

Advance Premiums		Rates		Premium Bases	Code No.	Description of Hazards
Bodily Injury	Property Damage	B.I.	P.D.			
56,560. MINIMUM	15,940. MINIMUM	.2828	.0797	(c) 20,000,000.		Premises - Operations  70550-OPERATIONS OF THE NAMED INSURED (COMPOSITE RATE)
		(a) Per 100 Sq. Ft. of Area (b) Per Linear Foot (c) Per \$100 of Remuneration (d) Per \$100 of Receipts (e) Per Unit (f) Per 100 Admissions		(a) Area (Sq. Ft.) (b) Frontage (c) Remuneration (d) Receipts (e) Units (f) Admissions		
		Per Landing		Number Insured		Escalators (Number at Premises)
		INCLUDED IN COMPOSITE RATE				
		Per \$100 of Cost		Cost		Independent Contractors
		INCLUDED IN COMPOSITE RATE				
		(a) Per \$1,000 of Receipts		(a) Receipts		Completed Operations
		INCLUDED IN COMPOSITE RATE (SEE ENDT. #3)				
		(b) Per \$1,000 of Sales		(b) Sales		Products
		INCLUDED IN COMPOSITE RATE (SEE ENDT. #3)				
\$ 56,560	\$ 15,940.	Total Advance B.I. and P.D. Premiums				

**I. COVERAGE A—BODILY INJURY LIABILITY**  
**COVERAGE B—PROPERTY DAMAGE LIABILITY**

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

- A. bodily injury or**  
**B. property damage**

in which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

**Exclusions**

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of
  - (1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or
  - (2) any other automobile or aircraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;
- (c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;
- (d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;
- (e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of
  - (1) any watercraft owned or operated by or rented or loaned to any insured, or
  - (2) any other watercraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;
- (f) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- (g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to
  - (1) liability assumed by the insured under an incidental contract, or
  - (2) expenses for first aid under the Supplementary Payments provision;
- (h) to bodily injury or property damage for which the insured or his indemnitee may be held liable
  - (i) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
  - (ii) if not so engaged, as an owner or lessor of premises used for such purposes,if such liability is imposed
  - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
  - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;but part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;
- (i) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- (k) to property damage to
  - (1) property owned or occupied by or rented to the insured,
  - (2) property used by the insured, or
  - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;but parts (2) and (3) of this exclusion do not apply with respect to damage

named insured after such products or work have been put to use by any person or organization other than an insured;

- (n) to property damage to the named insured's products arising out of such products or any part of such products;
- (o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (q) to property damage included within:
  - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "x",
  - (2) the collapse hazard in connection with operations identified in this policy by a classification code number which includes the symbol "c",
  - (3) the underground property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "u".

**II. PERSONS INSURED**

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
- (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (d) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and
- (e) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,
  - (i) an employee of the named insured while operating any such equipment in the course of his employment, and
  - (ii) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be an insured under this paragraph (e) with respect to:
  - (1) bodily injury to any fellow employee of such person injured in the course of his employment, or
  - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

**III. LIMITS OF LIABILITY**

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

**Coverage A**—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

**Coverage B**—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate":

- (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned

For attachment to Policy No. GL-190179, to complete said policy.

## SCHEDULE

The insurance afforded for contractual liability is only with respect to such of the following Coverages as are indicated by a specific premium charge applicable thereto. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Advance Premiums	Limits of Liability		Coverages
	each occurrence	aggregate	
\$	\$ AS PER		Y—Contractual Bodily Injury Liability
\$	\$ ENDT. #1	\$	Z—Contractual Property Damage Liability
\$	Form numbers of endorsements attached at issue		
\$	Total Advance Premium		

Advance Premiums		Rates		Premium Bases	Code No.	Designation of Contracts
Bodily Injury	Property Damage	B.I.	P.D.			
		(a) Per Contract (b) Per \$100 of Cost		(a) Number (b) Cost		
	INCLUDED IN COMPOSITE RATE					ALL WRITTEN CONTRACTS ENTERED INTO BY THE NAMED INSURED
\$INCL.	\$ INCL.	Total Advance B.I. and P.D. Premiums				

When used as a premium basis:

"cost" means the total cost to any indemnitee with respect to any contract which is insured of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the subcontractor, including all fees, allowances, bonuses or commissions made, paid or due.

## COVERAGE Z—CONTRACTUAL PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured, by reason of contractual liability assumed by him under a contract designated in the schedule for this insurance, shall become legally obligated to pay as damages because of

Y. bodily injury or

Z. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

### Exclusions

This insurance does not apply:

- (a) if the insured or his indemnitee is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering of or the failure to render professional services by such insured or indemnitee, including
  - (1) the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and
  - (2) supervisory, inspection or engineering services;
- (b) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;
- (c) to bodily injury or property damage for which the indemnitee may be held liable
  - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
  - (2) if not so engaged, as an owner or lessor of premises used for such purposes;if such liability is imposed
  - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
  - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;but part (ii) of this exclusion does not apply with respect to liability of the indemnitee as an owner or lessor described in (2) above;
- (d) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (e) to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
- (f) to property damage to
  - (1) property owned or occupied by or rented to the insured,
  - (2) property used by the insured, or
  - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;
- (g) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- (h) to loss of use of tangible property which has not been physically injured or destroyed resulting from
  - (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
  - (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;
- (i) to property damage to the named insured's products arising out of such products or any part of such products;
- (j) to property damage to work performed by or on behalf of the named insured

- (k) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (l) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
- (m) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- (n) to property damage included within (1) the explosion hazard, (2) the collapse hazard, or (3) the underground property damage hazard.

## II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated and his spouse;
- (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

## III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

**Coverage Y**—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as a result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

**Coverage Z**—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies shall not exceed the limit of property damage liability stated in the schedule as "aggregate". Such aggregate limit of liability applies separately with respect to each project away from premises owned by or rented to the named insured.

**Coverages Y and Z**—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

## IV. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"contractual liability" means liability expressly assumed under a written contract or agreement; provided, however, that contractual liability shall not be construed as including liability under a warranty of the fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

## V. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs within the policy territory.

## VI. ADDITIONAL CONDITION

### Arbitration

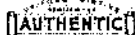
The company shall be entitled to exercise all of the insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

**(AUTHENTIC)**

## SCHEDULE

<b>As Per</b>	<b>Limits of Liability</b>	<b>Coverage</b>
<b>Endt. #1</b>	thousand dollars aggregate	<b>P—Personal Injury Liability</b>
	% Insured's Participation	
<p>The insurance afforded is only with respect to personal injury arising out of an offense included within such of the following groups of offenses as are indicated by specific premium charge or charges.</p>		
<b>Advance Premiums</b>	<b>Groups of Offenses</b>	
<b>\$ INCLUDED</b>	A. False Arrest, Detention or Imprisonment, or Malicious Prosecution	
<b>\$ INCLUDED</b>	B. Libel, Slander, Defamation or Violation of Right of Privacy	
<b>\$ INCLUDED</b>	C. Wrongful Entry or Eviction or Other Invasion of Right of Private Occupancy	
		<b>Form numbers of endorsements attached at issue</b>
<b>\$</b>		
<b>\$ INCLUDED</b>	<b>Total Advance Premium</b>	
<b>\$ INCLUDED</b>	<b>Minimum Premium</b>	

"damages" means only those damages which are payable because of personal injury arising out of an offense to which this insurance applies.



ATTACHED TO AND FORMING PART OF

**AMENDMENT – LIMITS OF LIABILITY  
(SINGLE LIMIT)**

1,000,000. EACH OCCURRENCE  
1,000,000. AGGREGATE

UND No: 58

# ENDORSEMENT

4/22/76

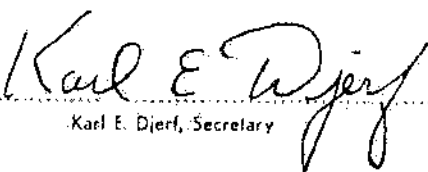
IT IS AGREED THAT THIS POLICY DOES NOT APPLY TO THE LEGAL LIABILITY OF THE INSURED AS SHIP REPAIRERS FOR:

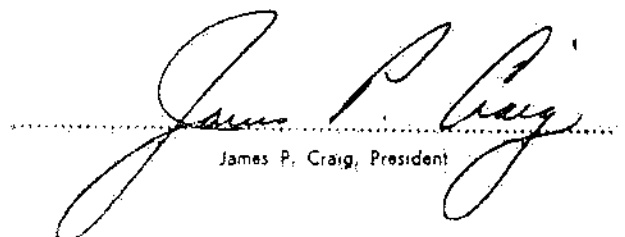
- (i) LOSS OF OR DAMAGE IF ANY TO ANY VESSEL OR CRAFT WHICH IS IN THE CARE, CUSTODY OR CONTROL OF THE ASSURED FOR THE PURPOSE OF BEING WORKED UPON AND WHILST LAID UP AWAITING REPAIR OR REDELIVERY INCLUDING SHIFTING AND MOVING BETWEEN THE VARIOUS PLANTS AND YARDS OF THE ASSURED, AND INCLUDING TRIAL TRIPS BUT NOT EXCEEDING 100 MILES FROM THE VARIOUS PLANTS AND YARDS OF THE ASSURED.
- (ii) LOSS OF OR DAMAGE TO ANY OTHER VESSEL OR CRAFT UPON WHICH THE ASSURED IS WORKING ~~EXCEPT VESSELS OR CRAFT AT SEA OTHER THAN WHILST ON TRIAL TRIPS~~
- (iii) LOSS OF OR DAMAGE TO CARGO AND/OR FREIGHT AND/OR OTHER THINGS ON OR DISCHARGED FROM ANY OF THE VESSELS OR CRAFT REFERRED TO IN (i) OR (ii) ABOVE.
- (iv) LOSS OF OR DAMAGE TO MACHINERY OR EQUIPMENT OF ANY VESSEL OR CRAFT, WHILST SUCH MACHINERY OR EQUIPMENT IS REMOVED FROM SUCH VESSEL OR CRAFT AND IS IN THE CARE CUSTODY OR CONTROL OF THE ASSURED FOR THE PURPOSE OF BEING WORKED UPON, INCLUDING WHILST IN TRANSIT BETWEEN SUCH VESSEL OR CRAFT AND THE PREMISES OF THE ASSURED OR WHILST IN TRANSIT TO OR FROM SPECIALIST REPAIRERS' OR MANUFACTURERS' PREMISES.
- (v) DAMAGES RESULTING FROM:
  - (a) LOSS OF OR DAMAGE TO PROPERTY ) OCCURRING IN THE COURSE  
(OTHER THAN THAT REFERRED TO IN ) OF AND ARISING FROM THE  
(i), (ii), (iii), OR (iv) ABOVE ) SHIPREPAIRING OPERATIONS
  - (b) LOSS OF LIFE OR BODILY INJURY TO ) OF THE ASSURED.  
PERSONS )
- (vi) REMOVAL OF WRECK.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. 2  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Dierf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

# ENDORSEMENT

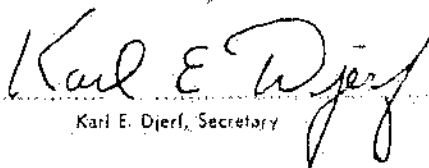
4/22/76

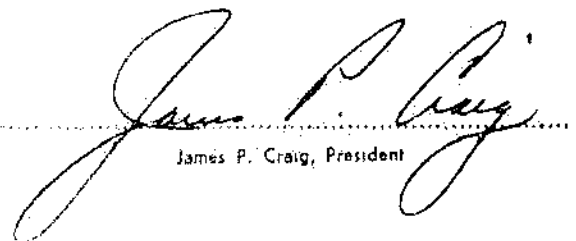
IT IS AGREED THAT SUCH INSURANCE AS IS AFFORDED BY THE PROPERTY  
DAMAGE LIABILITY COVERAGE DOES NOT APPLY TO PROPERTY DAMAGE  
INCLUDED WITHIN THE COMPLETED OPERATIONS HAZARD OR THE PRODUCTS  
HAZARD.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. 3  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

# ENDORSEMENT

4/22/76

IT IS AGREED THAT THIS POLICY DOES NOT COVER ANY LIABILITY IMPOSED BY LAW ON THE INSURED OR ASSUMED BY THE INSURED UNDER CONTRACT OR AGREEMENT FOR BODILY INJURY, SICKNESS OR DISEASE INCLUDING DEATH AT ANY TIME RESULTING THEREFROM, SUSTAINED BY ANY EMPLOYEE OF THE INSURED OR BY THE MASTERS OR MEMBERS OF THE CREW OF ANY WATERCRAFT OWNED BY, LEASED TO, CHARTERED BY, USED BY, OR IN THE CARE, CUSTODY OR CONTROL OF THE INSURED.

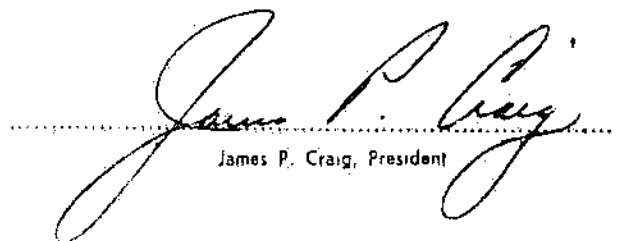
IT IS ALSO AGREED THAT THIS POLICY DOES NOT COVER LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY DIVER ENGAGED IN DIVING OPERATIONS, ON BEHALF OF THE INSURED.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. 4  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Dierf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

# ENDORSEMENT

4/22/76

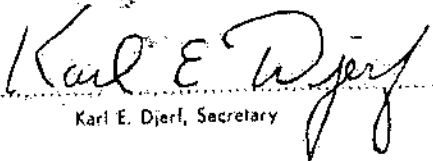
## PENSION TRUST AND EMPLOYEE BENEFITS LIABILITY EXCLUSION

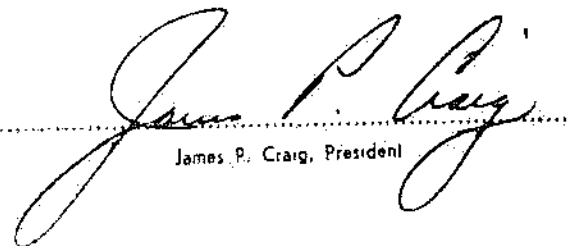
IT IS UNDERSTOOD AND AGREED THAT THIS POLICY SHALL NOT APPLY TO ANY LIABILITY ARISING OUT OF ANY ACT, ERROR OR OMISSION, OR BREACH OF DUTY OF ANY INSURED SUBJECT TO THE EMPLOYEE RETIREMENT SECURITY ACT OF 1974 WITH RESPECT TO THEIR DUTIES UNDER ANY PENSION OR EMPLOYEE BENEFIT PLANS.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. 5  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

ENDORSEMENT

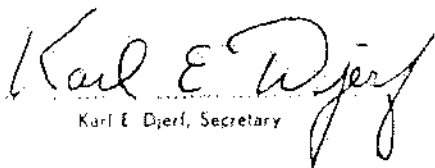
Effective Date 4/22/76

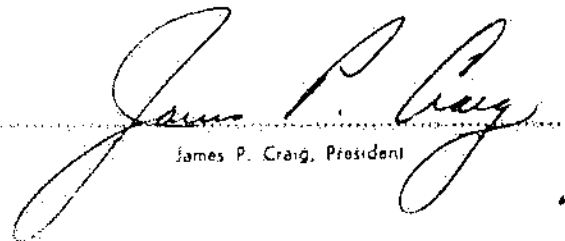
IT IS UNDERSTOOD AND AGREED THAT CONTRACTUAL LIABILITY INSURANCE DOES NOT  
APPLY TO ANY INJURY TO ANY EMPLOYEE ASSUMED UNDER ANY CONTRACT WITH THE UNITED  
STATES GOVERNMENT AND ALL OTHER SHIPPING AGENCIES.

Effective 12:01 AM Standard Time, this Endorsement No. 6  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations  
of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

FORM UNCL 100-261 (12-74) 10M  
REPLACES UNCL 100-261

# ENDORSEMENT

Effective Date 4/22/76

IT IS AGREED THAT THE PREMIUM FOR THIS POLICY IS DUE AND PAYABLE AS  
FOLLOWS:

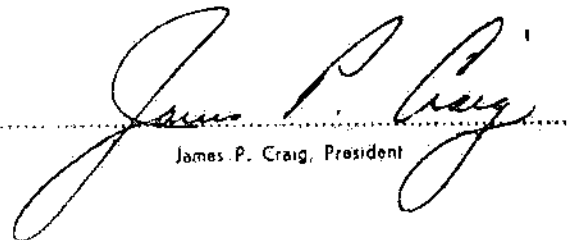
<u>DUE</u>	<u>AMOUNT</u>
4/22/76	\$36,250.
10/22/76	36,250.

Effective 12:01 AM Standard Time, this Endorsement No. 7  
attached to and made a part of Policy No. CL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

# ENDORSEMENT

Effective Date 4-22-76

It is agreed that Endorsement No. 4 is amended to read as follows:  
It is agreed that this policy does not cover any liability imposed by law on the insured or assumed by the insured under contract or agreement for bodily injury, sickness or disease including death at any time resulting therefrom, sustained by any employee of the insured or by the masters or members of the crew of any watercraft owned by, leased to, chartered by, or used by the insured.

It is also agreed that this policy does not cover liability for bodily injury to or death of any diver engaged in diving operations, on behalf of the insured.

Effective 4-22-76 12:01 AM Standard Time, this Endorsement No. 4  
attached to and made a part of Policy No. GL-190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

By Karl E. Djerf Karl E. Djerf, Secretary  
James P. Craig James P. Craig, President  
Authorized Representative

# ENDORSEMENT

4/22/76

IT IS AGREED THAT IN THE EVENT OF CANCELLATION OR ANY MATERIAL CHANGE IN THIS POLICY ADVERSELY EFFECTING THE INTEREST OF THE GOVERNMENT IN THIS INSURANCE, THIRTY (30) DAYS PRIOR WRITTEN NOTICE WILL BE GIVEN TO THE DEPARTMENT OF THE NAVY OFFICE OF NAVY MATERIAL CONTRACT INSURANCE BRANCH, WASHINGTON, D.C. 20360.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. \_\_\_\_\_  
attached to and made a part of Policy No. GL190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

By Karl E. Djerf James P. Craig  
Karl E. Djerf, Secretary James P. Craig, President  
[Signature]  
Authorized Representative

# ENDORSEMENT

Effective Date 4/22/76

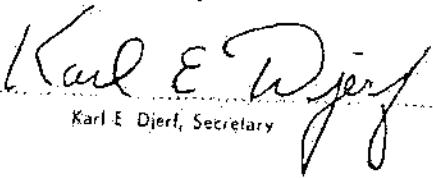
It is agreed that the composite rate for Bodily Injury Liability appearing on Coverage Part 16394a is amended to: .3111

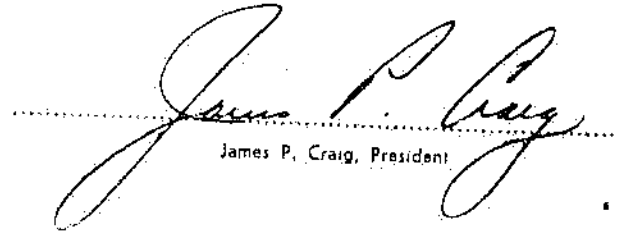
ADDITIONAL PREMIUM TO BE DETERMINED BY AUDIT.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. \_\_\_\_\_  
attached to and made a part of Policy No. GL190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

FORM UND. NO. 261 (12/74) 10M  
REPLACES UND. NO. 44

LIABILITY

G-604

L 9187  
(Ed. 10-66)

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE  
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE  
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE  
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE

This endorsement, effective **4/22/76**

(12:01 A. M., standard time)

forms a part of policy No. **GL190179**

issued to

**NORFOLK SHIPBUILDING & DRY DOCK CORP.**

by

**MIDLAND INSURANCE COMPANY**

Authorized Representative

Amount and Basis of Deductible		SCHEDULE
		Coverage
\$ <b>5,000.</b>	per claim	Bodily Injury Liability
\$	per occurrence	
\$ <b>2,500.</b>	per claim	Property Damage Liability
\$	per occurrence	

APPLICATION OF ENDORSEMENT (Enter here any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to all loss however caused):—

It is agreed that:

1. The company's obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on behalf of the insured applies only to the amount of damages in excess of any deductible amounts stated in the schedule above as applicable to such coverages.
2. The deductible amounts stated in the schedule apply as follows:
  - (a) **PER CLAIM BASIS**—If the deductible is on a "per claim" basis, the deductible amount applies under the Bodily Injury Liability or Property Damage Liability Coverage, respectively, to all damages because of bodily injury sustained by one person, or to all property damage sustained by one person or organization, as the result of any one occurrence.
  - (b) **PER OCCURRENCE BASIS**—If the deductible is on a "per occurrence" basis, the deductible amount applies under the Bodily Injury Liability or Property Damage Liability Coverage, respectively, to all damages because of all bodily injury or property damage as the result of any one occurrence.
3. The terms of the policy, including those with respect to (a) the company's rights and duties with respect to the defense of suits and (b) the insured's duties in the event of an occurrence apply irrespective of the application of the deductible amount.
4. The company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the named insured shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

**[AUTHENTIC]**

# ENDORSEMENT

(REVISED ENDT. NO. 2)

Effective Date

4/22/76

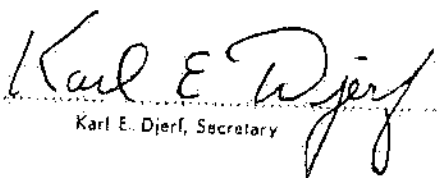
It is agreed that this policy does not apply to the Legal Liability of the Insured as Ship Repairers for:

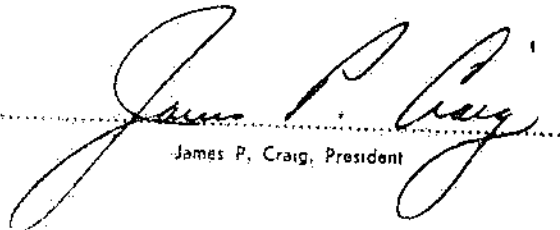
- (i) Loss of or damage if any to any vessel or craft which is in the care, custody or control of the Assured for the purpose of being worked upon and whilst laid up awaiting repair or redelivery including shifting and moving between the various plants and yards of the Assured, and including trial trips.
- (ii) Loss of or damage to any other vessel or craft upon which the Assured is working
- (iii) Loss of or damage to cargo and/or freight and/or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above.
- (iv) Loss of or damage to machinery or equipment of any vessel or craft, whilst such machinery or equipment is removed from such vessel or craft and is in the care custody or control of the Assured for the purpose of being worked upon, including whilst in transit between such vessel or craft and the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.
- (v) Damages resulting from loss of or damage to property (other than that referred to in (i), (ii), (iii) or (iv) above occurring in the course of and arising from the shiprepairing operations of the Assured.
- (vi) Removal of Wreck.

Effective \_\_\_\_\_ 12:01 AM Standard Time, this Endorsement No. 2  
attached to and made a part of Policy No. CL190179 of MIDLAND INSURANCE COMPANY  
issued to NORFOLK SHIPBUILDING & DRY DOCK CORP

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as above stated.

  
Karl E. Djerf, Secretary

  
James P. Craig, President

By \_\_\_\_\_  
Authorized Representative

# COUNTERSIGNATURE ENDORSEMENT

This endorsement, effective 4/22/76 12:01 AM  
(hour and date)

forms a part of policy No. GL190179

issued to NORFOLK SHIPBUILDING & DRY DOCK CORP.

by MIDLAND INSURANCE COMPANY

STATE

STATE PREMIUM

VA

\$ 72,500.

It is agreed that the signature appearing on this endorsement is the signature of a person duly authorized to countersign on behalf of the Company in the state designated above and which is appended hereto in conformity with the insurance laws of that state.

Countersigned by.....

ENDT. #8

Authorized Signature

## CERTIFICATE OF INSURANCE

COMPETENT SERVICE  
 Nansemond Insurance Agency,  
 Inc.  
 SUFFOLK, VIRGINIA  
 ABSOLUTE PROTECTION

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS Norfolk Shipbuilding & Drydock Corp.  
 P. O. Box 2100  
 Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
 NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
 AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
			Workmen's Compensation Ins.	STATUTORY
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.	Employers' Liability Ins.	\$
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	BODILY INJURY \$ ,000 Each occurrence \$ ,000 Aggregate	PROPERTY DAMAGE \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehensive General & Blanket Contractual Liability	GL196252	Eff. 4-22-77 Exp. 4-22-78	\$1,000,000. Single Limit	Bodily Injury and Property Damage

\* Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Thirty(30) Days written notice will be given  
 Contract No. N62678-76-C-0036  
 Date 7-14-75

Dated: 4-12-77

Name of Company: MIDLAND INSURANCE COMPANY

*[Signature]*  
 AUTHORIZED REPRESENTATIVE

## CERTIFICATE ISSUED TO:

NAME and ADDRESS Department of the Navy  
 Office of Naval Material  
 Contract Insurance Branch  
 Washington, D. C. 20360

VIA

Supervisor of Shipbuilding  
 Conversion & Repairs, USN  
 Fifth Naval District  
 P. O. Box 215  
 Portsmouth, Va. 23705  
 Attention: Mr. R. S. Gray

ENCL. (5)

## CERTIFICATE OF INSURANCE



This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS  
 Norfolk Shipbuilding & Drydock Corp.  
 P. O. Box 2100  
 Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
 NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
 AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
			Workmen's Compensation Ins.	STATUTORY
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY		Eff. Exp.	Employers' Liability Ins.	\$
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	BODILY INJURY \$ ,000 Each occurrence \$ ,000 Aggregate	PROPERTY DAMAGE \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER: Comprehensive General & Blanket Contractual Liability	GL196252	Eff. 4-22-77 Exp. 4-22-78	\$1,000,000. Single Limit	Bodily Injury and Property Damage

\*Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Thirty(30) Days written notice will be given  
 Contract No. N62678-76-C-0036  
 Date 7-14-75

Dated: 4-12-77

Name of Company: MIDLAND INSURANCE COMPANY

AUTHORIZED REPRESENTATIVE

## CERTIFICATE ISSUED TO:

Department of the Navy  
 Office of Naval Material  
 Contract Insurance Branch  
 Washington, D. C. 20360

NAME and ADDRESS

VIA

Supervisor of Shipbuilding  
 Conversion & Repairs, USN  
 Fifth Naval District  
 P. O. Box 215  
 Portsmouth, Va. 23705  
 Attention: Mr. R. S. Gray

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS  
 NORFOLK SHIPBUILDING & DRYDOCK CORP.  
 P. O. Box 2100  
 Norfolk, Va. 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
 NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
 AFFORDED BY ANY POLICY DESCRIBED HEREIN.

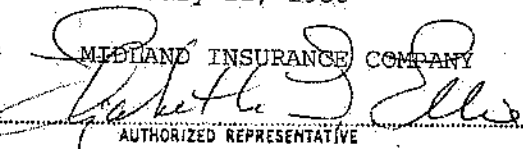
are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WS 330235 Incl. LSHW	Eff. 3/1/80 Exp. 3/1/81	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000 per occ.	\$ excess of \$300,000 self-insured ret.
			BODILY INJURY	PROPERTY DAMAGE
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
<input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles				
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

\*Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

N62678-76-C-0036 7/14/75

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: February 22, 1980  
 Name of Company: MIDLAND INSURANCE COMPANY  
  
 AUTHORIZED REPRESENTATIVE  
 DESERT AMERICAN INSURANCE AGENCY, INC. Va.

CERTIFICATE ISSUED TO:

Department of the Navy  
 Office of Naval Material  
 Contract Insurance Branch  
 Washington, D. C. 20360

Att: Fifth Naval District

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS: NORFOLK SHIPBUILDING & DRYDOCK CORP.  
P.O. Box 2100  
Norfolk, Va. 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WS 330235 Incl. LSHW	Eff. 3/1/80 Exp. 3/1/81	Workmen's Compensation Ins.	STATUTORY
			Employers' Liability Ins. \$2,000,000 per occ.	\$ excess of \$300,000 self insured ret.
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	BODILY INJURY \$ ,000 Each occurrence \$ ,000 Aggregate	PROPERTY DAMAGE \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

\*Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

N62678-76-C-0036, 7/14/75

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: February 22, 1980

Name of Company: MIDLAND INSURANCE COMPANY

*Garrett S. Ellis*  
AUTHORIZED REPRESENTATIVE  
DESERT AMERICAN INSURANCE AGENCY, INC. Va.

CERTIFICATE ISSUED TO:

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D. C. 20360

## CERTIFICATE OF INSURANCE



**The Continental Insurance Companies**

### GENERAL OFFICES

80 Maiden Lane, New York, New York 10038

### DEPARTMENTAL OFFICES

Buckeye Department	1111 East Broad Street, Columbus, Ohio 43216
Eastern Department	80 Maiden Lane, New York, New York 10038
Foreign Department	80 Maiden Lane, New York, New York 10038
Northeastern Department	333 Glen Street, Glens Falls, New York 12801
Pacific Department	100 Pine Street, San Francisco, California 94111
Southeastern Department	161 Peachtree Street, N.E., Atlanta, Georgia 30303
Southwestern Department	1810 Commerce Street, Dallas, Texas 75201
Western Department	360 West Jackson Boulevard, Chicago, Illinois 60606

*Branch and Field Offices in all Principal Cities*

INSERT  
NAME OF  
COMPANY

Niagara Fire Insurance Company

(Herein called the company)

CERTIFICATE OF INSURANCE

COMPETENT SERVICE  
Nansemond Insurance Agency,  
Inc.  
SUFFOLK, VIRGINIA  
ABSOLUTE PROTECTION

NAMED INSURED AND ADDRESS

Norfolk Shipbuilding & Drydock Corporation  
P.O. Box 2100  
Norfolk, Virginia 23501

The company hereby states that it has issued to the insured named herein a policy or policies of insurance providing the types of insurance and limits of liability set forth herein. This certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policies scheduled herein. It is furnished as a matter of information only, confers no rights upon the holder and is issued with the understanding that the rights and liabilities of the parties will be governed by the original policy or policies as they may be lawfully amended by endorsement from time to time.

TYPE OF INSURANCE (Indicate by "X" in Box)	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS OF LIABILITY	
				BODILY INJURY LIABILITY	PROPERTY DAMAGE LIABILITY
<input type="checkbox"/> Comprehensive Automobile Liability				\$ each person each occurrence	\$ each occurrence
<input checked="" type="checkbox"/> Comprehensive General Liability	L 6632151	8/1/73	8/1/77	\$1,000,000. Single Limit Liability	
<input type="checkbox"/> Manufacturers' and Contractors' Liability				\$ each occurrence	\$ each occurrence
<input type="checkbox"/> Owners', Landlords' and Tenants' Liability				\$ aggregate	\$ aggregate
<input checked="" type="checkbox"/> Contractual Liability	Blanket			\$ aggregate	\$ aggregate
<input type="checkbox"/>				\$ each occurrence	
<input type="checkbox"/>				\$ aggregate-products-completed operations	
BROAD FORM EXCESS LIABILITY				Subject to self-insured retained limit and underlying insurance described in the policy.	
WORKMEN'S COMPENSATION		INSURANCE BRANCH OCT 25 1974		Coverage afforded in accordance with the Workmen's Compensation Law of the States specified in subdivision (a) below and the Occupational Disease Law, if any, of such States, unless otherwise stated in subdivision (b) below: (a) (b)	
EMPLOYERS' LIABILITY		NAVAL MATERIAL COMMAND		COVERAGE B—EMPLOYEES SUBJECT TO COMPENSATION LAW \$ COVERAGE B—EMPLOYEES NOT SUBJECT TO COMPENSATION LAW INJURY BY ACCIDENT INJURY BY DISEASE \$ each employee each accident \$ each employee aggregate (each state) MEDICAL \$ each employee	

REMARKS

Contract N62678-70-C-0020, dated 8/30/69 & N62678-75-C-0034, dated 7/17/74

It is agreed that in the event of cancellation of the policy by the Company thirty (30) days written notice of such cancellation will be given to you at the address below.

This certificate is issued at the request of the person or organization named below and the company will mail to such person or organization, at the address shown, notice of cancellation and, where possible, notice of any material change in any of the described policies.

Departement of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C. 20360  
Via: Supervisor of Shipbuilding  
Conversion & Repair, USN  
Fifth Naval District  
Box 215, Portsmouth, Va. 23705  
Attention: R. S. Gray

Date 8/26/74  
By  
Authorized Representative

COMPETENT SERVICE  
Nansemond Insurance Agency,  
Inc.  
SUFFOLK, VIRGINIA  
ABSOLUTE PROTECTION

**LIABILITY INSURANCE POLICY - SECTION ONE**  
(For Automobile Insurance or General  
Liability Insurance separately or combined)

**IMPORTANT NOTICE**

The basic public liability policy has  
been revised as of January 1, 1973.  
Your coverage may vary from your  
previous policy.

PLEASE READ YOUR POLICY

**The Continental Insurance Companies**

5051-CAS.

INSURANCE SUBJECT

OCT 25 1974

HEADQUARTERS  
NAVAL MATERIAL COMMAND

**Insurance Companies**

**GENERAL OFFICES**

80 Maiden Lane, New York, New York 10038

**DEPARTMENTAL OFFICES**

Buckeye Department	1111 East Broad Street, Columbus, Ohio 43216
Eastern Department	80 Maiden Lane, New York, New York 10038
Foreign Department	80 Maiden Lane, New York, New York 10038
Northeastern Department	291 Glen Street, Glens Falls, New York 12801
Pacific Department	100 Pine Street, San Francisco, California 94111
Southeastern Department	161 Peachtree Street, N.E., Atlanta, Georgia 30303
Southwestern Department	1810 Commerce Street, Dallas, Texas 75201
Western Department	360 West Jackson Boulevard, Chicago, Illinois 60606

**Branch and Field Offices in all Principal Cities**

The company named in the declarations (a stock insurance company, herein called the company) in consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

## SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured because of accident

or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;

(d) reasonable expenses incurred by the insured at the company's request (in assisting the company in the investigation or defense of any claim or suit,) including actual loss of earnings not to exceed \$25 per day.

## DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;

(2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

(a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials; or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a rail-

road, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means:

(1) the United States of America, its territories or possessions, or Canada, or

(2) international waters or air space, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation, or

(3) anywhere in the world with respect to damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

Policy Issued By: Niagara Fire Insurance Company 12 L6 63 21 51  
Producer's Name and Address: Underwriters Safety & Claims, Inc. 310 West Liberty Louisville, Kentucky 40202 16 492 704  
Renewal of: L6 41 54 41  
Item 1. Named Insured and Address (Number and Street, Town or City, County and State): Norfolk Shipbuilding and Drydock Corporation Box 2100 Norfolk, Virginia 23501  
The named insured is: Individual ☐ Partnership ☐ Corporation ☒ Joint Venture ☐ Other (specify)  
Business of the named insured is: Shipbuilding & Drylock

Item 2. Policy Period: From 12:01 a.m., 8-1-74 to 8-1-77  
12:01 A.M., standard time at the address of the named insured as stated herein.  
Audit Period: Annual, unless otherwise stated.

Audit Required  
☒ Yes ☐ No

LIABILITY INSURANCE POLICY - SECTION TWO - DECLARATIONS  
(For Automobile Insurance or General Liability Insurance separately or combined)

Item 3. The insurance afforded is only with respect to such of the following Coverage Parts as are indicated by specific premium charge or charges.

Coverage Parts	Advance Premiums
Comprehensive Automobile Liability Insurance	\$
Automobile Physical Damage	\$
Automobile Medical Payments Insurance	\$
Protection Against Uninsured Motorists Insurance	\$
Garage Insurance	\$
Comprehensive General Liability Insurance	\$ 102,900
Owners' Landlords' and Tenants' Liability Insurance	\$
Manufacturers' and Contractors' Liability Insurance	\$
Comprehensive Personal Insurance	\$
Farmer's Comprehensive Personal Insurance	\$
Contractual Liability Insurance	\$
Premises Medical Payments Insurance	\$
Owners' and Contractors' Protective Liability Insurance	\$
Personal Injury Liability Insurance	\$
Total Advance Premium for this policy \$ 102,900	

Form numbers of endorsements forming a part of the policy on its effective date:  
1m/KN 8-7-74

Premium is payable: On effective date of policy \$ 34,300 ; 1st Anniversary \$ 34,300 ; 2nd Anniversary \$ 34,300  
This declarations page shall not be binding on the company unless countersigned by a duly authorized representative of the company, and attached, when issued, to Section One of the company's Liability Insurance Policy, and completed by one or more Coverage Parts for which there is an advance premium indicated on this page.  
Countersigned by: Vansemond Insurance Agency, Inc.  
By: [Signature] Agent

## I. COVERAGE P—PERSONAL INJURY LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of injury (herein called "personal injury") sustained by any person or organization and arising out of one or more of the following offenses committed in the conduct of the named insured's business:

Group A—false arrest, detention or imprisonment, or malicious prosecution;

Group B—the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting, or telecasting activities conducted by or on behalf of the named insured;

Group C—wrongful entry or eviction, or other invasion of the right of private occupancy;

if such offense is committed during the policy period within the United States of America, its territories or possessions, or Canada; and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such personal injury even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

### Exclusions

This insurance does not apply

- (a) to liability assumed by the insured under any contract or agreement;
- (b) to personal injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured;
- (c) to personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the named insured;
- (d) to personal injury arising out of any publication or utterance described in Group B, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;
- (e) to personal injury arising out of a publication or utterance described in Group B concerning any organization or business enterprise, or its products or services,

made by or at the direction of any insured with knowledge of the falsity thereof.

## II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) If the named insured is designated in the declarations as an individual, the person so designated and his spouse;
- (b) If the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) If the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to personal injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

## III. LIMITS OF LIABILITY INSURED'S PARTICIPATION

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain personal injury, or (3) claims made or suits brought on account of personal injury, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of personal injury liability stated in the schedule as "aggregate".

If a participation percentage is stated in the schedule for the insured, the company shall not be liable for a greater proportion of any loss than the difference between such percentage and one hundred percent and the balance of the loss shall be borne by the insured; provided, the company may pay the insured's portion of a loss to effect settlement of the loss, and, upon notification of the action taken, the named insured shall promptly reimburse the company therefor.

## IV. ADDITIONAL DEFINITION

When used in reference to this insurance:

"damages" means only those damages which are payable because of personal injury arising out of an offense to which this insurance applies.

### SCHEDULE

#### Coverage

#### P. Personal Injury Liability

The insurance afforded is only with respect to personal injury arising out of an offense included within such of the following groups of offenses as are indicated by specific premium charge or charges.

#### Groups of Offenses

A. False Arrest, Detention or Imprisonment, or Malicious Prosecution

B. Libel, Slander, Defamation or Violation of Right of Privacy

C. Wrongful Entry or Eviction or Other Invasion of Right of Private Occupancy

Minimum Premium \$

Total Advance Premium

#### Limits of Liability

as per endt.

\$ Liab. 6997 aggregate

Insured's Participation 0 %

#### Advance Premium

\$ incl.

\$ incl.

\$ incl.

\$ incl. as per endt. \$1

Policy Issued By Niagara Fire Insurance Company

Policy No. L6 63 21 51

Named Insured Norfolk Shipbuilding and Drydock Corporation

This Coverage Part shall not be binding upon the company unless attached to Sections One and Two of the company's Liability Insurance Policy.

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-

74 12:01

at \_\_\_\_\_ M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE  
incl. in gnrt. #1  
ADDITIONAL PREMIUM IS \$  
RETURN PREMIUM IS \$

EMPLOYEE BENEFITS LIABILITY INSURANCE  
- COMPREHENSIVE GENERAL LIABILITY POLICY -

THE COMPANY AGREES WITH THE INSURED NAMED IN THE POLICY  
DECLARATIONS AS FOLLOWS:

- I TO PAY ON BEHALF OF THE INSURED ALL SUMS WHICH THE INSURED SHALL BECOME LEGALLY OBLIGATED TO PAY TO ANY EMPLOYEE OR FORMER EMPLOYEE OR THE HEIRS, BENEFICIARIES OR LEGAL REPRESENTATIVES OF EITHER AS DAMAGES ARISING FROM ANY ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION OF THE INSURED OR OTHERS FOR WHOM THE INSURED IS LEGALLY RESPONSIBLE IN THE ADMINISTRATION OF EMPLOYEE BENEFIT PROGRAMS OF THE INSURED.
- II THE COMPANY SHALL WITH RESPECT TO SUCH INSURANCE AS IS AFFORDED BY THIS ENDORSEMENT:
  - (a) DEFEND ANY SUIT AGAINST THE INSURED WHICH ALLEGES ANY ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION AND SEEKS DAMAGES ON ACCOUNT THEREOF, EVEN IF SUCH SUIT IS GROUNDLESS, FALSE OR FRAUDULENT; BUT THE COMPANY MAY MAKE SUCH INVESTIGATION AND NEGOTIATION AND, WITH THE WRITTEN CONSENT OF THE INSURED, SUCH SETTLEMENT OF ANY CLAIM OR SUIT AS IT DEEMS EXPEDIENT;
  - (b) (1) PAY ALL PREMIUMS ON BONDS TO RELEASE ATTACHMENTS FOR AN AMOUNT NOT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY OF THIS POLICY, ALL PREMIUMS ON APPEAL BONDS REQUIRED IN ANY SUCH DEFENDED SUIT, BUT WITHOUT ANY OBLIGATION TO APPLY FOR OR FURNISH ANY SUCH BONDS;
  - (2) PAY ALL EXPENSES INCURRED BY THE COMPANY, ALL COSTS TAXED AGAINST THE INSURED IN ANY SUCH SUIT AND ALL INTEREST ACCRUING AFTER ENTRY OF JUDGMENT UNTIL THE COMPANY HAS PAID OR TENDERED OR DEPOSITED IN COURT SUCH PART OF SUCH JUDGMENT AS DOES NOT EXCEED THE LIMIT OF THE COMPANY'S LIABILITY THEREON;

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

NANSEMOND INSURANCE AGENCY  
BY  AGENT

Countersigned by

INSURANCE BRANCH

OCT 25 1974

LML

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

L6 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.,  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-1974 12:01 PM

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

- (3) REIMBURSE THE INSURED FOR ALL REASONABLE EXPENSES,  
OTHER THAN LOSS OF EARNINGS, INCURRED AT THE COMPANY'S  
REQUEST;

AND THE AMOUNTS SO INCURRED, EXCEPT SETTLEMENTS OF CLAIMS AND  
SUITS, ARE PAYABLE BY THE COMPANY IN ADDITION TO THE APPLICABLE  
LIMIT OF LIABILITY OF THIS POLICY, EXCLUSIVE OF ANY DEDUCTIBLE  
AMOUNT.

III THE FOLLOWING DEFINITIONS APPLY IN CONNECTION WITH THE INSURANCE  
AFFORDED BY THIS ENDORSEMENT:

- (a) INSURED. THE UNQUALIFIED WORD "INSURED" INCLUDES THE  
NAMED INSURED AND ALSO INCLUDES ANY EXECUTIVE OFFICER,  
DIRECTOR OR STOCKHOLDER THEREOF WHILE ACTING WITHIN THE  
SCOPE OF HIS DUTIES AS SUCH; ANY EMPLOYEE AUTHORIZED  
TO ACT IN THE ADMINISTRATION OF THE INSURED'S EMPLOYEE  
BENEFIT PROGRAMS WHILE SO ACTING AND, IF THE NAMED INSURED  
IS A PARTNERSHIP, ANY PARTNER THEREIN BUT ONLY WITH  
RESPECT TO HIS LIABILITY AS SUCH.
- (b) EMPLOYEE BENEFIT PROGRAMS - THE TERM "EMPLOYEE BENEFIT  
PROGRAMS" SHALL MEAN GROUP LIFE INSURANCE, GROUP HEALTH  
INSURANCE, PROFIT SHARING PLANS, PENSION PLANS, EMPLOYEE  
STOCK SUBSCRIPTION PLANS AND, EXCEPT AS RESPECTS THE  
INSURANCE AFFORDED HEREUNDER TO EMPLOYEES, SHALL ALSO  
INCLUDE WORKMEN'S COMPENSATION INSURANCE, UNEMPLOYMENT  
COMPENSATION INSURANCE, SOCIAL SECURITY AND DISABILITY  
BENEFITS INSURANCE.
- (c) ADMINISTRATION - THE UNQUALIFIED WORD "ADMINISTRATION",  
WHEREVER USED, SHALL MEAN THE FOLLOWING, PROVIDED THE SAME  
ARE AUTHORIZED BY THE NAMED INSURED:
- (1) COUNSELING EMPLOYEES WITH RESPECT TO EMPLOYEE BENEFIT  
PROGRAMS;
  - (2) INTERPRETATIONS RELATIVE TO EMPLOYEE BENEFIT PROGRAMS;

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

NANCY M. D. INSURANCE AGENCY  
AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

NIagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-74 12:01 PM

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

- (3) RECORD-KEEPING IN CONNECTION WITH EMPLOYEE BENEFIT PROGRAMS;
- (4) ENROLLMENT, TERMINATION OR CANCELATION OF EMPLOYEES UNDER EMPLOYEE BENEFIT PROGRAMS.

IV THIS INSURANCE APPLIES TO ANY ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION WHICH OCCURS WITHIN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS OR CANADA, PROVIDED ANY CLAIM MADE TO RECOVER THEREFOR IS BROUGHT WITHIN THE PERIOD THIS INSURANCE IS IN EFFECT.

V THE INSURANCE AFFORDED BY THIS ENDORSEMENT DOES NOT APPLY:

- (a) TO ANY DISHONEST, FRAUDULENT, CRIMINAL OR MALICIOUS ACT OR OMISSION, LIBEL, SLANDER, DISCRIMINATION OR HUMILIATION;
- (b) TO BODILY INJURY TO, OR SICKNESS, DISEASE OR DEATH, OF ANY PERSON, OR TO INJURY TO OR DESTRUCTION OF ANY TANGIBLE PROPERTY, INCLUDING THE LOSS OF USE THEREOF;
- (c) TO ANY CLAIM FOR FAILURE OF PERFORMANCE OF CONTRACT BY ANY INSURER;
- (d) TO ANY CLAIM BASED UPON THE INSURED'S FAILURE TO COMPLY WITH ANY WORKMEN'S COMPENSATION, UNEMPLOYMENT COMPENSATION, SOCIAL SECURITY OR DISABILITY BENEFITS LAW OR ANY SIMILAR LAW;
- (e) TO ANY CLAIM BASED UPON:

- (1) FAILURE OF SECURITIES TO PERFORM AS REPRESENTED BY AN INSURED;
- (2) ADVICE GIVEN BY AN INSURED IN CONNECTION WITH PARTICIPATION OR NON-PARTICIPATION IN STOCK SUBSCRIPTION PLANS.

VI THE LIMIT OF LIABILITY STATED IN THE SCHEDULE HEREOF AS APPLICABLE TO "EACH CLAIM" IS THE LIMIT OF THE COMPANY'S LIABILITY FOR ALL DAMAGES INCURRED AS THE RESULT OF ANY ONE

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

LM1

NANCY MOND INSURANCE AGENCY

BY

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By:

Niagara Fire Insurance Company

12

Policy No.

L6 63 21 51

Producer's  
Name  
and  
Address:

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-74 at 12:01 P.M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

CLAIM INSURED HEREUNDER BUT EACH CLAIM MADE SHALL BE SUBJECT TO THE DEDUCTIBLE AMOUNT SET FORTH IN THE SCHEDULE AND THE COMPANY SHALL BE LIABLE ONLY FOR THE DIFFERENCE BETWEEN SUCH DEDUCTIBLE AMOUNT AND THE LIMIT OF LIABILITY FOR "EACH CLAIM"; THE LIMIT OF SUCH LIABILITY STATED IN THE SCHEDULE AS "AGGREGATE" IS, SUBJECT TO THE ABOVE PROVISION RESPECTING EACH CLAIM, THE TOTAL LIMIT OF THE COMPANY'S LIABILITY FOR ALL DAMAGES INSURED HEREUNDER.

THE PAYMENT OF ANY DEDUCTIBLE AMOUNT BY THE INSURED SHALL NOT OPERATE TO REDUCE THE AGGREGATE LIMIT OF THE COMPANY'S LIABILITY.

THE AGGREGATE LIMIT OF LIABILITY SHALL APPLY SEPARATELY TO EACH ANNUAL PERIOD THIS INSURANCE IS IN FORCE.

VII THE PREMIUM STATED IN THE SCHEDULE IS AN ESTIMATED PREMIUM ONLY. UPON TERMINATION OF EACH ANNUAL PERIOD THIS ENDORSEMENT IS IN FORCE THE NAMED INSURED, UPON REQUEST, WILL FURNISH THE COMPANY A STATEMENT OF THE TOTAL NUMBER OF EMPLOYEES AT THE END OF THE PERIOD AND THE EARNED PREMIUM SHALL BE COMPUTED UPON THE AVERAGE OF THE NUMBER OF EMPLOYEES AT THE BEGINNING AND THE END OF SUCH PERIOD IN ACCORDANCE WITH THE RATES SET FORTH IN THE SCHEDULE. IF THE EARNED PREMIUM THUS COMPUTED EXCEEDS THE ESTIMATED ADVANCE PREMIUM PAID, THE NAMED INSURED SHALL PAY THE EXCESS TO THE COMPANY; IF LESS, THE COMPANY SHALL RETURN TO THE NAMED INSURED THE UNEARNED PORTION PAID BY SUCH INSURED, SUBJECT TO THE MINIMUM PREMIUM STATED IN THE SCHEDULE.

VIII WHEN THE INSURED BECOMES AWARE OF ANY ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION HE OR SOMEONE ON HIS BEHALF SHALL GIVE WRITTEN NOTICE THEREOF TO THE COMPANY OR ANY OF ITS AUTHORIZED AGENTS AS SOON AS PRACTICABLE. SUCH NOTICE SHALL CONTAIN PARTICULARS SUFFICIENT TO IDENTIFY THE INSURED AND ALSO REASONABLY OBTAINABLE INFORMATION RESPECTING THE TIME, PLACE AND CIRCUMSTANCES OF THE NEGLIGENCE, ERROR, MISTAKE OR OMISSION.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

NANSEMOND INSURANCE AGENCY

IM1

BY [Signature] AGENT

PAGE #4 OF 6

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 432 704

Effective

8-1-74 at 12:01 P.M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

IF CLAIM IS MADE OR SUIT IS BROUGHT AGAINST THE INSURED, THE INSURED SHALL IMMEDIATELY FORWARD TO THE COMPANY EVERY DEMAND, NOTICE, SUMMONS OR OTHER PROCESS RECEIVED BY HIM OR HIS REPRESENTATIVE.

IX THE INTEREST OF THE INSURED UNDER THIS ENDORSEMENT IS NOT ASSIGNABLE.

X THE COMPANY SHALL NOT SETTLE ANY CLAIM WITHOUT THE WRITTEN CONSENT OF THE INSURED. IF, HOWEVER, THE INSURED SHALL REFUSE TO CONSENT TO ANY SETTLEMENT RECOMMENDED BY THE COMPANY AND SHALL ELECT TO CONTEST THE CLAIM OR CONTINUE ANY LEGAL PROCEEDINGS IN CONNECTION WITH SUCH CLAIM, THEN THE COMPANY'S LIABILITY FOR THE CLAIM SHALL NOT EXCEED THE AMOUNT FOR WHICH THE CLAIM COULD HAVE BEEN SO SETTLED, SUBJECT TO THE LIMITS OF LIABILITY OF THIS POLICY, PLUS THE COSTS AND EXPENSES INCURRED WITH ITS CONSENT UP TO THE DATE OF SUCH REFUSAL.

XI CANCELATION SHALL BE IN ACCORDANCE WITH THE CANCELATION CONDITION OF THE POLICY AND CANCELATION OF THE POLICY SHALL AUTOMATICALLY CANCEL THIS ENDORSEMENT AS OF THE EFFECTIVE TIME AND DATE THEREOF.

XII POLICY CONDITIONS CAPTIONED "SEVERABILITY OF INTERESTS", "ASSISTANCE AND COOPERATION OF THE INSURED" (EXCEPT REFERENCE THEREIN TO THE PAYMENT OF EXPENSES FOR IMMEDIATE MEDICAL AND SURGICAL RELIEF), "ACTION AGAINST COMPANY", "OTHER INSURANCE", "SUBROGATION", "CHANGES" AND "DECLARATIONS" SHALL APPLY TO THE INSURANCE AFFORDED BY THIS ENDORSEMENT, EXCEPT THAT WHERE THE WORD "ACCIDENT" APPEARS THEREIN IT SHALL BE UNDERSTOOD TO MEAN AN ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION FOR WHICH INSURANCE IS PROVIDED HEREUNDER. REFERENCE IN THE DECLARATIONS CONDITION TO THE "STATEMENTS IN THE DECLARATIONS" SHALL AS RESPECTS THIS INSURANCE BE UNDERSTOOD TO INCLUDE THE STATEMENTS SET FORTH IN THE SCHEDULE BELOW.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

NANSEMOND INSURANCE AGENCY

Countersigned by

LM1

PAGE #5 OF 6

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-74 12:01 P.M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$ 438.

RETURN PREMIUM IS \$

### SCHEDULE

A.	LIMITS OF LIABILITY	\$	EACH CLAIM LESS	\$	AGGREGATE
	1,000,000	\$	DEDUCTIBLE \$1,000.		\$3000000
B.	PREMIUM COMPUTATION				
	ESTIMATED NUMBER OF EMPLOYEES	RATE (PER EMPLOYEE)		ESTIMATED PREMIUM	
		As per Endt. #1			
	2015	FIRST 5000	\$	\$	incl. in
		NEXT 5000	\$	\$	Endt. #1
		OVER 10000	\$	\$	
		TOTAL		\$	

C. MINIMUM PREMIUM \$

D. THE INSURED REPRESENTS THAT THERE ARE NOW NO CLAIMS, DEMANDS OR LEGAL PROCEEDINGS PENDING AGAINST HIM ON ACCOUNT OF ANY ACT OF NEGLIGENCE, ERROR, MISTAKE OR OMISSION OF THE TYPE INSURED HEREUNDER AND HE HAS NO KNOWLEDGE OF ANY CIRCUMSTANCES WHICH MIGHT SO RESULT IN ANY SUCH FUTURE CLAIM, DEMAND OR LEGAL PROCEEDING.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

NANSEMOND INSURANCE AGENCY

LM1

LIAB 7251

C-P

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By	Niagara Fire Insurance Company	12	Policy No. 16 63 21 51
Producer's Name and Address	Underwriters Safety & Claims, Inc. 310 West Liberty Louisville, Kentucky 40202	Producer's Code 16 492 704	Effective 8-1-74 12:01 P.M.
Named Insured and Address (Number and Street, Town or City, County and State)	Norfolk Shipbuilding and Drydock Corporation Box 2100 Norfolk, Virginia 23501	ON ACCOUNT OF THE FOLLOWING THE ADDITIONAL PREMIUM IS \$ RETURN PREMIUM IS \$	

### ENDORSEMENT #1

#### Composite Rating Endorsement

1. It is agreed that the premium for insurance afforded by this policy shall be computed on the basis of "remuneration" defined as the entire remuneration earned during the policy period by proprietors and by all employees of the named insured, other than chauffeurs, (except operators of mobile equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation of remuneration rule applicable in accordance with the manuals in use by the company.
- It is agreed that if the insurance afforded by this policy under Coverage B is subject to an aggregate limit of liability within the meaning of the Limits of Liability section of the Comprehensive General Liability Insurance coverage part, such aggregate limit of liability shall be applicable notwithstanding the rating basis used in connection with such insurance.

2.

#### SCHEDULE

<u>Premium Basis</u>	<u>Rates</u>		<u>Advance Premium</u>	
	<u>Coverage A</u> Per \$100 of Remuneration	<u>Coverage B</u>	<u>Coverage A</u>	<u>Coverage B</u>
<u>RETRO</u>				
\$14,000,000 Remuneration	\$ .0544	\$ .0732	\$9,016	\$10,248
<u>NON-RETRO</u>				
\$14,000,000 Remuneration	\$ .0471	\$ .0603	\$6,594	\$ 8,442
		Total	\$15,610	\$18,690
		Estimated Annual Premium		\$34,300

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

NANEMOND INSURANCE AGENCY  
AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective 8-1-

74 12:01

19 at M.  
Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 2

"It is agreed that in the event of cancellation of any material change in this policy adversely affecting the interest of the Government in this insurance, thirty (30) days prior written notice will be given to the Department of the Navy, Headquarters Naval Material Command, Contract Insurance Branch, Washington, D.C. 20360

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

NANSEMOND INSURANCE AGENCY

AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-

74 12:01

19 at M.  
Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2160  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 3

Notice is hereby accepted that the insured has entered into a contract called "Department of Defense Master Contract for Repair and Alteration of Vessels (DD-ASPR Form 731)" and as respect work performed under that contract, this policy is extended to cover the Hold-Harmless Clause No. 10 in said contract, subject to Contractual Liability Insurance 7165C Attached.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

INSURANCE AGENCY

AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

LS 63 RI 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 432 704

Effective

8-1-

74 12:00

19 at M.

Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Marfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Marfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 1

"The Insured shall participate in the earnings of the company to such extent and upon such conditions as shall be determined by the Board of Directors of the company in accordance with law and as may be applicable to this policy, provided the insured shall have complied with all the terms of this policy with respect to the payment of premium."

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

AMERICAN INSURANCE AGENCY

AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claim, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-1974 12:01 PM

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### AMENDATORY ENDORSEMENT #4

"The Insured agrees to give the company notice of cancellation sufficient in time to permit the company to give such notice to any party as required by the terms of any Certificate of Insurance issued to that party on behalf of the Insured."

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

NANSEMOND INSURANCE AGENCY

Countersigned by

BY [Signature]

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

L6 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claim, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-74 12:01 PM

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$ \_\_\_\_\_

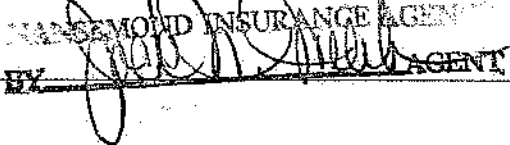
RETURN PREMIUM IS \$ \_\_\_\_\_

**ENDORSEMENT # 5**

**Exclusion (c), Watercraft, is hereby deleted.**

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

BY  AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

10 03 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective 8-1-74 12:01  
19 at M.  
Hour and minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 6

Policy condition 11, cancellation, is amended to read Thirty days in lieu of ten days.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

BY

FRANCIS W. INSURANCE AGENCY  
AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.  
16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective 8-1-74 12:01 P.  
at 19 at M.  
Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 7

It is agreed at that Contractual Liability Insurance (Blanket Coverage) 7155C does not apply to any injury to any employee assumed under any contract with the United States Government and all other shipping agencies.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 492 704

Effective

8-1-1974 12:01 P.M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 8

#### II. Definition of Named Insured and Insured

(a) The words "named insured", wherever used in this policy, shall include any subsidiary company of the named insured and any other company which comes under the named insured's control and of which it assumes active management.

(b) The unqualified word "insured", wherever used in this policy, includes the named insured and also includes any executive officer, director or stockholder thereof while acting within the scope of his duties as such, and any organization or proprietor with respect to real estate management for the named insured.

(c) Wherever required by written contract, this policy shall additionally insure the United States Government, but only with respect to liability of said government arising out of the named insured's operations performed under such contract.

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

WIND INSURANCE AGENCY

AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.  
15 63 21 51

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
310 West Liberty Street  
Louisville, Kentucky 40202

Producer's Code

15 422 704

Effective 8-1-74 12:01  
19 at M.  
Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

### ENDORSEMENT # 9

It is agreed that the company will not cancel this policy or reduce the insurance afforded herein until at least thirty (30) days written notice of such cancellation or reduction has been mailed to the following interests at the address stated below:

U.S. Army Engineers  
Savannah District  
200 West St. Julian Street  
Savannah, Georgia

U.S. Army Engineers  
Philadelphia District  
2635 Abbotterford Avenue  
Philadelphia 29, Pennsylvania

U.S. Army Engineers  
Norfolk District  
Fort of Front Street  
Norfolk, 1, Virginia

Department of the Navy  
Office of Naval Material  
Insurance Branch  
Washington, D.C.  
VIA: Industrial Manager  
Norfolk Naval Shipyard  
ATTN: W.F. Salenige  
Cont. and Materials Department

Mr. C. R. Fullenkamp, Chief  
U.S. Department of Commerce  
Maritime Administration  
Washington 25, D.C.

(Continued)

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

Countersigned by

REMOND INSURANCE AGENCY  
AGENT

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

**Hiegers Fire Insurance Company**

**12**

Policy No.

**16 63 21 51**

Producer's  
Name  
and  
Address

**Underwriters Safety & Claims, Inc.**  
**310 West Liberty**  
**Louisville, Kentucky 40202**

Producer's Code

**16 492 700**

Effective

**8-1-**

**78 12:01**

19 at M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

**Marshall Shipbuilding and Drydock**  
**Corporation**  
**Box 2100**  
**Norfolk, Virginia 23501**

ON ACCOUNT OF THE FOLLOWING THE

ADDITIONAL PREMIUM IS \$

RETURN PREMIUM IS \$

**Page 2 of Endorsement # 9**

**U.S. Department of the Navy-Military**  
**Sea Transportation Service**

**Atlantic Area**

**58th Street and First Avenue**

**Brooklyn 50, New York**

**ATTN: Capt. M. A. Lilly**

**Contracting Officer**

**VIA: Office of Naval Material Insurance Branch**

**Washington 25, D.C.**

**U.S. Army Engineers**

**Wilmington District**

**300 Customhouse**

**Wilmington, North Carolina**

**Headquarters**

**U.S. Army Mobility Equipment Center**

**Directorate of Procurement & Production**

**4300 Goodfellow Boulevard**

**St. Louis, Missouri**

**Contracting Officer: 88042-PFC-A**

**Contract No. DA 23-204-7C-1599 Dated 9/17/61**

This endorsement shall not be binding upon the company unless countersigned by a duly authorized representative of the company.

**ARMOR INSURANCE AGENCY**

Countersigned by

**AGENT**

**AMENDMENT—LIMITS OF LIABILITY**  
(Single Limit)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**COMPREHENSIVE GENERAL LIABILITY INSURANCE**  
**CONTRACTUAL LIABILITY INSURANCE**

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

Niagara Fire Insurance Company

12

Policy No.

16 43 21 31

Producer's  
Name  
and  
Address

Underwriters Safety & Claims, Inc.  
110 West Liberty  
Louisville, Kentucky 40202

Producer's Code

16 432 704

Effective

8-1-74 12:01 PM  
Hour and Minute

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501

**SCHEDULE**

Coverages	Limits of Liability
Bodily Injury Liability and Property Damage Liability	\$ 1,000,000 each occurrence \$ 1,000,000 aggregate

It is agreed that the provisions of the policy captioned "LIMITS OF LIABILITY" relating to Bodily Injury Liability and Property Damage Liability are amended to read as follows:

**LIMITS OF LIABILITY**

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage or (4) automobiles or units of mobile equipment to which this policy applies, the company's liability is limited as follows:

**Bodily Injury Liability and Property Damage Liability:**

- (a) The limit of liability stated in the Schedule of this endorsement as applicable to "each occurrence" is the total limit of the company's liability for all damages because of bodily injury or property damage as a result of any one occurrence, provided that with respect to any occurrence for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility under the provisions of the Motor Vehicle Financial Responsibility Law of any state or province such limit of liability shall be applied to provide the separate limits required by such law for Bodily Injury Liability and Property Damage Liability to the extent of the coverage required by such law, but the separate application of such limit shall not increase the total limit of the company's liability.
- (b) Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all bodily injury and property damage which occurs during each annual period while this policy is in force commencing from its effective date and which is described in any of the numbered subparagraphs below shall not exceed the limit of liability stated in the Schedule of this endorsement as "aggregate":
  - (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
  - (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
  - (3) all bodily injury and property damage included within the completed operations hazard and all bodily injury and property damage included within the products hazard;
  - (4) all property damage for which liability is assumed under any contract to which the Contractual Liability Insurance applies.

Such aggregate limit shall apply separately:

- (i) to the property damage described in subparagraphs (1) and (2) and separately with respect to each project away from premises owned by or rented to the named insured;

**SCHEDULE**

The insurance afforded is only with respect to such of the following coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

**COVERAGES AND LIMITS OF LIABILITY**

Coverage A Bodily Injury Liability		Coverage B Property Damage Liability	
each occurrence	aggregate	each occurrence	aggregate
<b>As per encl. 11th. 6597</b>		<b>\$ As per encl. 6697</b>	
Advance Premium \$ <b>as per encl. \$1 (incl.)</b>		Advance Premium \$ <b>incl. as per encl. \$1</b>	
Total Advance Premium \$			

**GENERAL LIABILITY HAZARDS**

Description of Hazards	Code No.	Premium Bases	Rates		Advance Premium	
			Bodily Injury Liability	Property Damage Liability	Bodily Injury Liability	Property Damage Liability
(a) Premises—Operations		(a) Area (sq. ft.) (b) Remuneration (c)	(a) Per 100sq. ft. of Area (b) Per \$100 of Remuneration (c)			
<b>covered</b>			<b>incl. in composite rate</b>		<b>incl. in composite rate</b>	
(b) Escalators		Number Insured	Per Landing			
<b>covered</b>						
(c) Independent Contractors		Cost	Per \$100 of Cost			
<b>covered</b>			<b>incl. in composite rate</b>		<b>incl. in composite rate</b>	
(d) Completed Operations		Receipts	Per \$1,000 of Receipts			
<b>covered</b>			<b>incl. in composite rate</b>		<b>incl. in composite rate</b>	
(e) Products		Sales	Per \$1,000 of Sales			
<b>covered</b>			<b>incl. in composite rate</b>		<b>incl. in composite rate</b>	

**GENERAL LIABILITY MINIMUM PREMIUMS**

Bodily Injury Liability	Property Damage Liability	Bodily Injury Liability	Property Damage Liability	Bodily Injury Liability	Property Damage Liability
(a) \$	\$	(c) \$	\$	(e) \$	\$
(b) \$	\$	(d) \$	\$		

Locations of all premises owned by, rented to or controlled by the named insured. (Enter "same" if same location as address shown in Item 1 of declarations.)

Interest of named insured in such premises. (Describe interest, such as "owner," "general lessee" or "tenant.")

# COMPREHENSIVE GENERAL LIABILITY INSURANCE

## I. COVERAGE A—BODILY INJURY LIABILITY COVERAGE B—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of:

### A. bodily injury or B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

### Exclusions

This insurance does not apply:

- to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - any automobile or aircraft owned or operated by or rented or loaned to any insured, or
  - any other automobile or aircraft operated by any person in the course of his employment by any insured;
 

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;
- to bodily injury or property damage arising out of: (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;
- to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;
- to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - any watercraft owned or operated by or rented or loaned to any insured, or
  - any other watercraft operated by any person in the course of his employment by any insured;
 

but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;
- to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:
  - liability assumed by the insured under an incidental contract; or
  - expenses for first aid under the Supplementary Payments provision;
- to bodily injury or property damage for which the insured or his indemnitee may be held liable:
  - as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
  - if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
    - by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
    - by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

but part (i) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;
- to any obligation for which the insured or any carrier as his insurer may be held liable under any Workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- to property damage to:
  - property owned or occupied by or rented to the insured;
  - property used by the insured; or
  - property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;

but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;
- to property damage to premises allocated by the named insured arising out of such premises or any part thereof;
- to loss of use of tangible property which has not been physically injured or de-

- to property damage to the named insured's products arising out of such products or any part of such products;
- to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part; if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

## II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- if the named insured is designated in the declarations as an individual, the person so designated, but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
  - if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
  - if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
  - any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and
  - with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law:
    - an employee of the named insured while operating any such equipment in the course of his employment; and
    - any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (e) with respect to:

    - liability to any fellow employee of such person injured in the course of his employment; or
    - property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).
- This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

## III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

**Coverage A**—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

**Coverage B**—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate":

- all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations; but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with

# CONTRACTUAL LIABILITY INSURANCE

## (Blanket Coverage—Broad Form)

This endorsement forms a part of the designated policy and applies, unless otherwise stated herein, as of the effective time and date of such policy.

Issued By

**Wagers Fire Insurance Company**

**12**

Policy No.

**14 03 21 21**

Producer's  
Name  
and  
Address

**Underwriters Safety & Claims, Inc.  
110 West Liberty  
Louisville, Kentucky 40302**

Producer's Code

**16 492 704**

Effective

**8-1-**

**78 12:01**

**19** at **12:01** M.

Named  
Insured  
and Address  
(Number and  
Street, Town or  
City, County  
and State)

**Norfolk Shipbuilding and Drydock  
Corporation  
Box 2100  
Norfolk, Virginia 23501**

### SCHEDULE

The insurance afforded for contractual liability is only with respect to such of the following Coverages as are indicated by a specific premium charge applicable thereto. The limit of the company's liability against each such coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Coverages	Limits of Liability	Advance Premium
Contractual Bodily Injury Liability	<b>\$ 1,000,000</b> each occurrence	<b>\$ incl.</b>
Contractual Property Damage Liability	<b>\$ 1,000,000</b> each occurrence \$ aggregate	<b>\$ incl.</b>
Total Advance Premium		<b>\$</b>

The following exclusions do not apply with respect to any "construction agreement":

**Exclusion (C)**

Designation of Contracts on file or known to the company	Code	Premium Bases	Rates		Advance Premium	
			Bodily Injury	Property Damage	Bodily Injury	Property Damage
<b>All written contracts</b>	<b>15101</b>	(a) Cost (b) Sales <b>a) 100%</b>	(a) Per \$100 of Cost (b) Per \$1000 of Sales <b>100% per occ. #1</b>	<b>100% per occ. #1</b>	<b>incl.</b>	<b>incl.</b>
Total					<b>\$</b>	<b>\$</b>

The company, in consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, agrees with the named insured as follows:

- I. COVERAGES - CONTRACTUAL BODILY INJURY LIABILITY
- CONTRACTUAL PROPERTY DAMAGE LIABILITY

but part (ii) of this exclusion does not apply with respect to liability of the indemnitee as an owner or lessor described in (2) above;

- (e) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (f) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
- (g) to **property damage** to:
  - (1) property owned or occupied by or rented to the **insured**;
  - (2) property used by the **insured**, or
  - (3) property in the care, custody or control of the **insured** or as to which the **insured** is for any purpose exercising physical control;
- (h) to **property damage** to premises alienated by the **named insured** arising out of such premises or any part thereof;
- (i) to loss of use of tangible property which has not been physically injured or destroyed resulting from:
  - (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
  - (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;
- (j) to **property damage** to the **named insured's products** arising out of such products or any part of such products;
- (k) to **property damage** to work performed by or on behalf of the **named insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **named insured's products** or work completed by or for the **named insured** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (m) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
- (n) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

Unless stated in the schedule above as not applicable, the following exclusions also apply to **contractual liability** assumed by the **insured** under any agreement relating to construction operations.

This insurance does not apply:

- (o) to **bodily injury** or **property damage** arising out of construction, maintenance or repair of watercraft or loading or unloading thereof;
- (p) to **bodily injury** or **property damage** arising out of operations, within fifty feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing.

## II. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) if the **named insured** is designated in the declarations as an individual, the person so designated and his spouse;
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the **named insured** is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

## III. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

### CONTRACTUAL BODILY INJURY LIABILITY

The total liability of the company for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one occurrence shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each occurrence".

### CONTRACTUAL PROPERTY DAMAGE LIABILITY

The total liability of the company for all damages because of all **property damage** sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of **property damage** liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all **property damage** to which this coverage applies shall not exceed the limit of **property damage** liability stated in the schedule as "aggregate". Such aggregate limit of liability applies separately with respect to each project away from premises owned by or rented to the **named insured**.

### CONTRACTUAL BODILY INJURY AND PROPERTY DAMAGE LIABILITY

For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

## IV. ENDORSEMENT TERRITORY

## CONDITIONS

**1. Premium.** All premiums for this policy shall be computed in accordance with the company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

**2. Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

**3. Financial Responsibility Laws.** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

### 4. Insured's Duties in the Event of Occurrence, Claim or Suit

- (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
- (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
- (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

**5. Action Against Company.** No action shall lie against the company, unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

**6. Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

**7. Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

**8. Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the company.

**9. Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

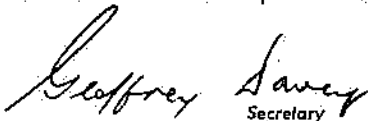
**10. Three Year Policy.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

**11. Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

If the named insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

**12. Declarations.** By acceptance of this policy, the named insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

**In Witness Whereof,** the company has caused this policy to be signed by an executive vice president and a secretary, but this policy shall not be binding upon the company unless completed by the attachment hereto of (1) a Declarations Page described as Section Two and countersigned on the aforesaid Declarations Page by a duly authorized representative of the company, and (2) one or more Coverage Parts for which there is an advance premium indicated on the Declarations Page.

  
Secretary

  
Executive Vice President

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT—(Broad Form)

I. Subject to the Provisions of paragraph III of this Endorsement, it is agreed that the policy and any endorsement used therewith, regardless of whether such endorsement makes the policy exclusions inapplicable does not apply:

**A. Under any Liability Coverage, to bodily injury or property damage**

- (1) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.**

**C. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if**

- (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) the bodily injury or property damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

**II. As used in this endorsement:**

- "hazardous properties" include radioactive, toxic or explosive properties;
- "nuclear material" means source material, special nuclear material or byproduct material;
- "source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
- "waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;
- "nuclear facility" means
- (a) any nuclear reactor,
  - (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
  - (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

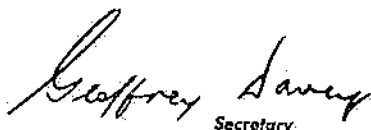
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

III. The provisions of this endorsement do not apply to (a) family automobile, comprehensive personal and farmer's comprehensive personal insurance nor to (b) liability arising out of the ownership, maintenance or use of any automobile principally garaged or registered in the State of New York.

**In Witness Whereof**, the company has caused this endorsement to be signed by an executive vice president and a secretary.

  
Secretary

  
Executive Vice President

RECEIVED  
OCT 25 1974  
INSURANCE COMPANY

OCT 25 1974

INSURANCE COMPANY



*Nantsemond Insurance Agency, Inc.*

INSURANCE

WASHINGTON AT WELLONS • P. O. BOX 1626 • SUFFOLK, VA. 23434 • PHONE 804 - 539-3421

March 23, 1976

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11250  
VIA Office of Naval Material  
Insurance Branch  
Washington, D. C.

Re: Norfolk Shipbuilding & Drydock Corp.  
Midland Insurance Company  
Workmen's Compensation Insurance  
Policy WS 330324 Eff 2/3/76  
Contract No. N00033-70-C0038 - 8/30/69

Gentlemen:

Following our letter of February 26, 1976, we are enclosing Certificate of Insurance under the captioned policy which we trust you will find in order.

Very truly yours,

Nantsemond Insurance Agency, Inc.

Isabel M. Boze

Commercial Lines Coordinator

B

Enc.

.. COMPETENT SERVICE ..

# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED INSURED and ADDRESS: **NORFOLK SHIPBUILDING & DRYDOCK CORPORATION**  
**BOX 2100**  
**NORFOLK, VIRGINIA 23501**

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
SPECIFIC EXCESS WORKMEN'S COMPENSATION	WCS 1113160098745	Eff. 2/3/74 Exp. CONTINUOUS	Provided by Workmen's Compensation Law--State of \$2,000,000.ea.occu.	NIL excess of \$150,000. Re
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence \$ ,000 Aggregate	\$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each accident	\$ ,000 Each accident
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

30 days

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~provide~~ give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

**Contracts:**

#N62678-75-G-0034, dated 7/17/74  
 #N62678-70-G-0020, dated 8/30/69

Dated: January 23, 1975

Name of Company: **MIDLAND INSURANCE COMPANY**  
*Neighborhood Insurance Agency, Inc.*  
 By: *[Signature]* AUTHORIZED REPRESENTATIVE Agent

**CERTIFICATE ISSUED TO:**

Department of the Navy  
 Office of Naval Material  
 Contract Insurance Branch  
 Washington, D.C. 20360

NAME and ADDRESS

VIA: Supervisor of Shipbuilding  
 Conversion & Repairs, USN  
 Fifth Naval District  
 P.O. Box 215, Portsmouth, Va. 23705  
 Att: Mr. R. S. Gray

FEB 1975

## CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

 NAMED INSURED and ADDRESS  
 NORFOLK SHIPBUILDING & DRYDOCK CORPORATION  
 BOX 2100  
 NORFOLK, VIRGINIA 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
SPECIFIC EXCESS WORKMEN'S COMPENSATION	WCS 1113160098745	Eff. 2/3/74 Ext. CONTINUOUS	Provided by Workmen's Compensation Law—State of \$2,000,000. ea. occur.	NIL excess of \$150,000. Re
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence \$ ,000 Aggregate	ention. ,000 Each occurrence ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each accident	\$ ,000 Each accident
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

30 days

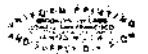
In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company

Dated: January 23, 1975

 Name of Company: MIDLAND INSURANCE COMPANY  
 Name of Insurance Agency, Inc.  
 By: AUTHORIZED REPRESENTATIVE

 Contract #N00033-70-C0038  
 dated 8/30/69

CERTIFICATE ISSUED TO:

 NAME and ADDRESS  
 Department of the Navy  
 Military Sealift Command, Atlantic  
 58th Street & First Avenue  
 Brooklyn, New York 11250  
 VIA Office of Naval Material  
 Insurance Branch, Washington, D.C.


# CERTIFICATE OF INSURANCE

This is to Certify, that policies in the name of

NAMED  
INSURED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
WORKMEN'S COMPENSATION	WS 330324	Eff. 2/3/76 Exp. 3/1/77	Provided by Workmen's Compensation Law—State of \$2,000,000. ea. occ.	NIL excess of \$150,000.
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence \$ ,000 Aggregate	Retention \$ ,000 Each occurrence \$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
OWNERS' LANDLORDS' AND TENANTS' LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence \$ ,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$ ,000 Each person \$ ,000 Each accident	\$ ,000 Each accident
COMPREHENSIVE AUTO- MOBILE LIABILITY		Eff. Exp.	\$ ,000 Each person \$ ,000 Each occurrence	\$ ,000 Each occurrence
OTHER:		Eff. Exp.		

thirty-days

In the event of any material change in, or cancellation of, said policies, the undersigned company will ~~not~~ give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Contract No. N00033-70-C0038 dated 8/30/69

Dated: March 23, 1976

Name of  
Company: Midland Insurance Company  
Norfolk Insurance Agency, Inc.  
Agent

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street & First Avenue  
Brooklyn, New York 11250  
Via Office of Naval Material, Insurance Branch, Washington, D.C.

DUPLICATE ORIGINAL

# Bain Dawes

Messrs. Burroughs & Watson Inc.,  
1335 United Virginia Bank Building,  
5 Main Plaza East,  
Norfolk,  
Virginia 23510,  
U.S.A.

Bain Dawes (International) Limited  
*Lloyd's and Incorporated Insurance Brokers*

26 Fenchurch Street London EC3M 3DR  
and at Lloyd's  
Telephone 01-283 4611 Telex 888143  
Cables: Baindawes London Telex

Date 25th July, 1977.

Our Ref: ERT/AT	Checked <i>[Signature]</i>
--------------------	-------------------------------

## COVER NOTE

CONTRACT No. 4279/7/001(A1)

In accordance with your instructions we have effected the following insurance:

FORM: "J"

ASSURED: Norfolk Shipbuilding & Drydock Corporation.

PERIOD: 12 months @ Noon 24th May, 1977 New York Time.

INTEREST: Shiprepairers Liability.

LIMIT: US\$1,000,000 any one accident or series of accidents arising out of one event but unlimited during the currency of the Policy.

DEDUCTIBLE: US\$ 25,000 any one accident or series of accidents arising out of one event.

CONDITIONS: This insurance to cover the Legal Liability of the Assured as per wording attached.  
Excluding Liability to Docks and Marine Railways  
Free of Capture and Seizure Clause (American)  
Service of Suit Clause (United States of America)  
New York Suable Clause  
Plus 1% Collecting Commission.

PREMIUM: Deposit US\$ 194,500.00 plus 1% Collecting Commission (US\$ 1,945.00)  
Adjustable at (A) 42.13% on gross receipts up to US\$ 50,000,000  
(B) 34.68% on gross receipts in excess of  
US\$ 50,000,000.  
Subject to a Minimum Premium of US\$ 115,000.00 plus 1% Collecting Commission.

HERETO: 72.039% Part of 100% Interest in above limit.

# Bain Dawes

Messrs. Burroughs & Watson Inc.,  
1335 United Virginia Bank Building,  
5 Main Plaza East,  
Norfolk,  
Virginia 23510,  
U.S.A.

**Bain Dawes (International) Limited**  
*Lloyd's and Incorporated Insurance Brokers*

26 Fenchurch Street London EC3M 3DR  
and at Lloyd's  
Telephone 01-283 4611 Telex 888143  
Cables: Baindawes London Telex

Date 25th July, 1977.

Our Ref: ERT/AT	Checked <i>[Signature]</i>
--------------------	-------------------------------

## COVER NOTE

CONTRACT No. 4279/7/001(B1)

In accordance with your instructions we have effected the following insurance:

FORM: "J"

ASSURED: Norfolk Shipbuilding & Drydock Corporation.

PERIOD: 12 months @ Noon 24th May, 1977 New York Time.

INTEREST: Shiprepairers Liability.

LIMIT: US\$1,000,000 any one accident or series of accidents arising out of one event but unlimited during the currency of the Policy.

DEDUCTIBLE: US\$ 25,000 any one accident or series of accidents arising out of one event.

CONDITIONS: This insurance to cover the Legal Liability of the Assured as per wording attached.  
Excluding Liability to Docks and Marine Railways  
Free of Capture and Seizure Clause (American)  
Service of Suit Clause (United States of America)  
New York Suable Clause  
Plus 1% Collecting Commission.

PREMIUM: Deposit US\$ 194,500.00 plus 1% Collecting Commission (US\$ 1,945.00)  
Adjustable at (A) 42.13% on gross receipts up to US\$ 50,000,000  
(B) 34.68% on gross receipts in excess of US\$ 50,000,000.  
Subject to a Minimum Premium of US\$ 115,000.00 plus 1% Collecting Commission.

HERETO: 27.961% Part of 100% Interest in above limit.  
(24.014% Tax deducted 3.947% Tax not deducted).

SECURITY: Member Companies of the Institute of London Underwriters as attached

Attaching to and forming part of Cover Note No. 4279/7/001(B1)

4.934%	Threadneedle Insurance Co. Ltd.
3.289%	Insurance Company of North America (Marine Dept.). Tax not deducted
.658%	Insurance Company of North America 'O' A/C. Tax not deducted
1.974%	Edinburgh Assurance Co. Ltd. No.3 A/C
3.289%	Orion Insurance Co. Ltd. "T" A/C
1.316%	(Cornhill Insurance Co. Ltd. 15.7%
	(Sovereign Marine & General Insurance Co. Ltd. 50.0%
	(Tokio Marine & Fire Insurance Co. Ltd. 12.5%
	(Taisho Marine & Fire Insurance Co. (UK) Ltd. 8.3%
	(Storebrand Insurance Co. (UK) Ltd. 3.1%
	(Compagnie d'Assurances Maritimes Aeriennes et Terrestres 5.2%
	(Allianz International Insurance Co. Ltd. 5.2%
2.632%	Bishopsgate Insurance Co. Ltd. 'F' A/C
2.632%	(Sphere Insurance Co. Ltd. 50%
	(Drake Insurance Co. Ltd. 50%
3.289%	Planet Assurance Co. Ltd. 'L' A/C
2.632%	British Law Insurance Co. Ltd. No.2 A/C
.658%	Insurance Corporation of Ireland Ltd. 'L' A/C.
.658%	Iron Trades Mutual Insurance Co. Ltd. 'S' A/C.

SHIPREPAIRERS' LIABILITY CLAUSES

1. Name of Assured NORFOLK SHIPBUILDING AND DRY DOCK CORPORATION
2. Location of Premises &/or Yard NORFOLK, VIRGINIA
3. Period 12 months 0 NOON, - New York Time - As per Cover Note.
4. Premium The minimum and deposit premium shall be subject to adjustment at expiry of the period of this insurance on gross charges of the Assured plus 1% for Collecting Commissions coverage, such adjustment to be paid within 90 days.
5. Gross Charges Gross charges shall be defined as total charges (collected or uncollected) made by the Assured as shiprepairers during the period of this insurance. No deduction shall be made from the gross charges in respect of any sub-contracted work.
6. Coverage

This insurance covers the legal liability of the Assured as shiprepairers for:

  - (i) loss of or damage if any to any vessel or craft which is in the care, custody or control of the Assured for the purpose of being worked upon and whilst laid up awaiting repair or redelivery including shifting and moving between the various plants and yards of the Assured, and including trial trips but not exceeding 100 miles from the various plants and yards of the Assured.
  - (ii) loss of or damage to any other vessel or craft upon which the Assured is working except vessels or craft at sea other than whilst on trial trips.
  - (iii) loss of or damage to cargo and/or freight and/or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above.
  - (iv) loss of or damage to machinery or equipment of any vessel or craft, whilst such machinery or equipment is removed from such vessel or craft and is in the care, custody or control of the Assured for the purpose of being worked upon, including whilst in transit between such vessel or craft and the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.
  - (v) damages resulting from ;
    - (a) loss of or damage to ) occurring in the course  
property (other than ) of and arising from the  
that referred to in (i), ) shiprepairing operations  
(ii), (iii) or (iv) above ) of the Assured.
    - (b) loss of life or bodily )  
injury to persons )
  - (vi) removal of wreck.

(vii)

To vessels towed by the Assured's tugs. Although such vessels are not under contract for repair and for conversion to the Assured, subject to prior notice and at an additional premium and deductible if required by Insurers.

Where such liability results from negligence of the Assured, his servants, agents or sub-contractors occurring during the period of this insurance.

7. Faulty Design

This insurance shall in no case be deemed to extend to cover the Assured's liability for :

- (a) condemnation or rejection of any part by reason of faulty design.
- (b) any loss or expense arising from such condemnation or rejection.
- (c) the cost or expense of repairing, modifying or replacing any part (or for any loss or expense arising therefrom) by reason of faulty design.

8. Limit of Liability

The limit of liability under this insurance, in respect of any one accident or series of accidents arising out of one occurrence, shall be as per Cover Note in addition Underwriters will bear costs, charges and expenses (as provided for in Clause 10 below) up to a similar amount.

It is specially understood and agreed that this Policy shall not be reduced by any loss paid or unpaid hereunder and it is always to apply in the full amount hereof to each and every vessel or craft becoming at risk hereunder, but notwithstanding anything contained herein to the contrary the liability of these Assurers is limited to the amount insured hereunder in respect of any one vessel for any one loss or occurrence at any one time.

9. Deductible

This insurance shall only pay the excess of \$25,000 in respect of the Assured's ultimate nett loss resulting from any one accident or series of accidents arising out of one occurrence.

10. Costs

(i) In respect of any claim, which may become the subject of indemnity hereunder, this insurance shall also cover (subject to Clause 8 above) (a) costs, charges and expenses which the Assured may, with the written consent of the Underwriters hereon, incur and (b) costs awarded against the Assured.

In the event of this insurance being one layer of a series of layers of insurance, the amount recoverable hereunder in respect of such costs, charges and expenses shall not exceed the proportion of such costs, charges and expenses that the damages recoverable under this insurance bear to the total amount of damages arising from such claims or proceedings.

(ii) In Cases where :

- (a) the parties claiming against the Assured fail in,

ENDORSEMENT (Cont'd)

Article 10

b. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof), its equipment, movable stores and cargo, and Government-owned materials and equipment for the repair, completion, alteration of or addition to the vessel in the possession of the Contractor, whether at the Plant or elsewhere, arising or growing out of the performance of the work, except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control, was proximately caused by the fault or negligence of agents or employees of the Government, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided that the Contractor shall not be responsible for any such loss or damage discovered after redelivery of the vessel unless (i) such loss or damage is discovered within sixty (60) days after redelivery of the vessel and (ii) such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor. To induce the Contractor to perform the work for the compensation provided, it is specifically agreed that the Contractor's aggregate liability on account of loss of or damage to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment shall in no event exceed the sum of \$300,000.00 and the Government assumes as to the Contractor the risk of loss or damage (including, but not limited to, loss or damage from negligence of whatsoever degree of the Contractor's servants, employees, agents or subcontractors but specifically excluding loss or damage from wilful misconduct or lack of good faith on the part of any of the Contractor's directors, officers and any of its managers, superintendents or other equivalent representatives who have supervision or direction of (i) all or substantially all of the Contractor's business or (ii) all or substantially all of the Contractor's operation at any one Plant) to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment in excess of \$300,000.00 provided, however, that as to such risk assumed and borne by the Government, the Government shall be subrogated to any claim, demand or cause of action against third persons which exists in favour of the Contractor, and the Contractor shall, if required, execute a formal assignment or transfer of claims, demands or causes of action, provided, further, that nothing contained in this paragraph shall create or give rise to any right, privilege or power in any person except the Contractor, nor shall any person (except the Contractor) be or become entitled thereby to proceed directly against the Government, or join the Government as a co-defendant in any action against the Contractor brought to determine the Contractor's liability or for any other purpose".

c. "The Contractor indemnifies and holds harmless the Government, its agencies and instrumentalities, the vessel and its owners, against all suits, actions, claims, costs or demands (including without limitations, suits, actions, claims, costs or demands resulting from death, personal injury and property damage) to which the Government, its agencies and instrumentalities, the vessel or its owner may be subject or put by reason of damage or injury (including death) to the property or person of any one other than the Government, its agencies, instrumentalities and personnel, the vessel or its owner, arising or resulting in whole or in part from the fault, negligence, wrongful act or wrongful omission

- (viii) arising from the existence, maintenance, or use of  
(a) any licensed truck, automobile or other mechanically propelled vehicle.  
(b) any unlicensed truck, automobile or other mechanically propelled vehicle outside the premises or yard of the Assured.
- (ix) in respect of loss or damage specified in Clause 6 (i), (ii), (iii) or (iv) above unless discovered and reported in writing to Underwriters within 180 days of the delivery to Owners or within 180 days after the work is completed by the Assured, whichever may first occur.
- (x) which is or but for the existence of this insurance would be covered under any other indemnity or insurance insuring to the benefit of the Assured, except for any excess of the amount which would be recoverable under such other indemnity or insurance had this insurance not been effected, but only to the extent that the excess amount is covered by this insurance.
- (xi) arising from any strike, lock-out, labour disturbance, riot, civil commotion or act of any person taking part in any such occurrence.
- (xii) directly or indirectly occasioned by, happening through or in consequence of:  
(a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or piracy.  
(b) destruction of or damage to property by or under the order of any government or public or local authority.
- (xiii) directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

#### GENERAL CONDITIONS

##### Inspection of Books

The Assured shall keep a complete and accurate record of all gross charges for operations covered hereunder and shall make these records available to Underwriters upon request.

##### Notice of Claim

In the event of any occurrence which may result in a claim under this insurance the Assured shall give prompt written notice to the Underwriters hereon, shall forward every summons or process (or copies thereof) served upon the Assured and shall keep Underwriters fully advised.

##### Claim Control

Underwriters shall at any time be entitled (but not obliged) to control or take over the conduct of the investigation defence and settlement of any claims suit or proceeding against the Assured which is or is likely to be the subject of indemnity under this insurance.

In the event of this insurance being one layer of a series of layers of insurance and more than one layer being likely to be involved in a particular occurrence, the Assured shall endeavour to obtain the agreement of the insurers of each affected payer as to the manner in which such control or taking over shall be effected and the costs, charges and expenses incurred borne.

If Underwriters hereon consider that a claim made against the Assured should not be contested then Underwriters hereon shall be entitled at any time to give an undertaking to the Assured to indemnify him for a sum equivalent to the limit of liability stipulated in Clause 8 above or such lesser sum as would have been payable under this insurance had the claim been settled at that time. Thereupon Underwriters hereon shall relinquish any control and conduct of the investigation or defence of the claim and shall thereafter have no further liability in respect of the claim or for costs, charges or expenses incurred subsequent to the giving of the undertaking. Where however the claim hereon is thereafter settled for a sum less than the amount referred to above, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

In the event of this insurance being one layer of a series of layers of insurance then if Underwriters hereon wish to exercise their rights under this condition and at such time the insurers of another layer or layers reject the settlement then possible, Underwriters hereon shall be entitled to give formal notice to the Assured that they consider the claim should be settled at that time. Thereafter Underwriters hereon shall have no liability for any costs, charges or expenses incurred subsequent to the giving of such notice. Where however the claim hereon is thereafter settled for a sum less than the amount at which it was capable of being settled at the date when such notice was given, costs, charges and expenses shall be apportioned in accordance with Clause 10 (ii) above.

Subrogation

In the event of any claim or loss being paid under this insurance Underwriters shall be subrogated to all rights and remedies of the Assured. The Assured shall not admit liability nor give any waiver of subrogation without the express permission of the Underwriters.

Reconstruction  
or Conversion

It is a condition of this insurance that before work commences involving the reconstruction or conversion of any vessel or craft which entails a change in dimension tonnage or type, the Assured must advise Underwriters and the coverage hereon in respect of such vessel or craft shall depend on the payment by the Assured of such additional premium as may be required by Underwriters.

Due Diligence

It is the duty of the Assured and his agents at all times to take such measures as may be reasonable for the purposes of averting or minimising a loss.

Assignment

It is agreed that no assignment of or interest in this insurance or in any moneys which may be or may become payable hereunder is to be binding on or recognised by Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on this insurance and the insurance with such endorsement is produced before payment of any claim or return of premium hereunder; but nothing in this condition is to have effect as an agreement by Underwriters to a sale or transfer to new management.

Cancellation

This insurance may be cancelled by either party on giving the other 30 days notice in writing.  
In the event of Underwriters giving notice then the words "minimum and" in Clause 4 above shall be deemed to be deleted.

Insolvency or  
Bankruptcy

Insolvency or bankruptcy of the Assured shall not act to debar recovery hereunder and these Assurers agree that in the event of the inability of the Assured to pay liability arising from perils insured against hereunder, to pay such claims or parts thereof for which this policy may be liable direct to the claimant or order.

1. This insurance is also extended to cover liability assumed by or imposed on the Assured:

by the following clause when appearing in the contract for work in respect of any vessel:

"While the vessel is undergoing repairs and alterations at the contractors yard or wharf, the contractor shall be held responsible for and make good at his expense any and all damage of whatsoever nature and/or loss to the vessel and/or its equipment and/or movable stores, except where contractor can affirmatively show that such loss or damage is due to causes beyond contractor's control and which by the exercise of reasonable care he was unable to prevent".

However contracts containing the above clause or any other contractor's liability clause held covered subject to prior notice and submission to Underwriters at additional premium if required.

2. This insurance also covers the legal liability of the Assured from operations of their floating equipment (excluding Drydocks and Marine Railways) whether operated for their own account or when loaned, leased or chartered to others but only in respect of claims recoverable under Clause 6 (Insuring Clause).
3. Notwithstanding Exclusion (vi) this insurance is extended to cover the legal liability of the Assured for detention and/or loss of freight and/or loss of time of any vessel or craft as a consequence of loss of or damage to such vessel or craft resulting in a claim which is the subject of indemnity under Clause 6 (i), (ii) or (iv) herein but this extension shall not cover any legal liability for detention and/or loss of freight and/or loss of time accepted by the Assured under contract express or implied except to the extent that the Assured is or would be liable for detention and/or loss of freight and/or loss of time independently of any provision in that contract. Subject otherwise to all terms, clauses and conditions of this insurance.
4.
  - i) This insurance shall be extended to cover other repair operations which do not come within the scope of the shiprepairing operations of the Assured.
  - ii) So far as concerns such other repair operations :
    - a) The expressions "shiprepairers" and "shiprepairing" wherever used in this insurance, other than in Clause 5, shall be deemed to include other repair operations of the Assured.
    - b) Clause 6 (iv) of this insurance shall be deemed to be substituted by the following :

loss of or damage to property (other than that referred to in (i), (ii) or (iii) above) which is in the care, custody or control of the Assured for the purpose of being worked upon including whilst in transit to or from the premises of the Assured or whilst in transit to or from specialist repairers' or manufacturers' premises.

Subject otherwise to all terms, clauses and conditions of this insurance.

6. It is noted and agreed that Navy Vessels and/or others are occasionally repaired with ammunition not removed from vessel.
7. Notwithstanding the provisions of the "Gas Free" Clause appearing herein, the Assured has permission to drydock or haul a tank vessel to carry out minor repairs where no welding or burning is involved, but subject to the approval of a certified chemist.
8. It is noted and agreed that the use of Steel Analysis projector, Model No. 533 does not prejudice this insurance, and the exclusions contained in Clause (xiii) of the exclusions does not apply.
9. It is noted and agreed that coverage under the Clause 6 (vi) is extended to pay the expenses of the removal of wreck from any place owned, leased or occupied by the Assured arising from the shiprepairing or dockowning operation of the Assured.
10. Notwithstanding anything herein contained to the contrary it is hereby noted and agreed that this insurance is extended to cover the Assureds liability arising from the activities of any employees or person(s) working on behalf of the Assured when on board vessels and/or craft whilst at sea or in any port for the purpose of effecting repairs and/or other work entrusted to the Assured. It is understood that this extension is effective notwithstanding that such employees and/or person(s) may be signed on as members of the vessels/crafts crew. This Clause does not extend to cover such work when undertaken on drilling rig whilst at drilling site which held covered at terms to be agreed prior to inception of risk.

NAVAL CONTRACT ENDORSEMENT

Notwithstanding anything to the contrary contained herein it is hereby noted and agreed that:

1. This insurance shall extend to cover the:
  - (a) liability imposed on or assumed by the Assured under articles 9 (b), 9 (c), 10 (b) and 10 (c) of Master Contracts signed with the United States of America, its instrumentalities or agencies (copies attached hereto) and,
  - (b) Notwithstanding the Non Contribution Clause contained herein this insurance shall not be prejudiced by reason of the Assured being required to effect insurance under the Warship Repair Form and/or Policy of similar intent and/or purpose issued by the following Government Agencies:

Contracting Officer  
U.S. Army Troop Support Command  
Attn: AMSTS-PDD-O  
4300 Goodfellow Blvd.  
St. Louis, Mo. 63120

Department of the Navy  
Military Sealift Command, Atlantic  
58th Street and First Avenue  
Brooklyn, New York, 11250  
Attn. Contracting Officer

Mr. C.R. Fullenkamp, Chief  
Insurance Compliance Branch  
Division of Insurance  
U.S. Department of Commerce  
Maritime Administration  
Washington, D.C.

Department of the Navy  
Office of Naval Material  
Contract Insurance Branch  
Washington, D.C., 20360  
Via: Supervisor of Shipbuilding  
Conversion & Repair, U.S.N.  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Va., 23705  
Attn. Mr. R.S. Gray  
Contract & Materials Dept.

U.S. Army Engineers  
Norfolk District  
Foot of Front Street  
Norfolk, Virginia

U.S. Army Engineers  
Philadelphia District  
Custom House  
2nd & Chestnut Streets  
Philadelphia, Pennsylvania, 19106

U.S. Army Engineers  
Wilmington District  
308 Custom House  
Wilmington, North Carolina

U.S. Army Engineers  
Savannah District  
200 East St. Julian Street  
Savannah, Georgia

U.S. Army Engineers  
Jacksonville District  
P.O. Box 4970  
Jacksonville, Florida

Department of the Army  
New Orleans District  
Corps. of Engineers,  
P.O. Box 60267  
New Orleans, Louisiana 70160

this insurance fully indemnifying the Assured for any claim which would be

ENDORSEMENT (Cont'd)

The following is a copy of the Articles 9 (b) 9 (c) the Master Lump Sum Repair Contract (MARAD Lumpsumrep) and Articles 10 (b) 10 (c) the Department of Defence Master Contract for Repair and Alteration of Vessels (DD ASPR Form No: 731) as stated in Page 111 of the attached wording.

Article 9

b. "The Contractor does indemnify and hold harmless the United States, its agencies and instrumentalities, and the vessel and its owners against all suits, actions, claims, costs or demands (including without limitation, suits, actions, claims, costs or demands for death, personal injury, and property damage, but excluding such actions, claims, costs or demands to the extent that such suits claims, costs or demands arise or result from the fault of the United States, its agencies and instrumentalities or the vessel owners) to which the United States, its agencies and instrumentalities or vessel, or its owners may be subject or put by reason of damage or injury (including death) to the property or person of any one other than the United States, its agencies and instrumentalities, or the vessel or its owners arising or resulting from the fault, negligence, wrongful act or omission of the Contractor, or any sub-contractor, its or their servants, agents or employees arising or growing out of the performance of work under a job order; provided, that the Contractor's obligation under this paragraph (b) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel and shall not extend to suits, actions, claims, costs or demands arising out of damages or injury caused by an accident or occurring later than sixty (60) days after redelivery of the vessel upon which the work was performed".

c. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof) its equipment, movable stores and cargo, and Government-owned materials, and equipment for the repair, alteration, conversion, reconversion, reconditioning or additional work in the possession of the Contractor, whether at the Contractor's shipyard or elsewhere, arising or growing out of the performance of work under a job order except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control or was approximately caused by agents or employees of the Authority, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided, that the Contractor shall not be responsible for any such loss or damage discovered after completion of the work and re-delivery to the United States or to third parties at the direction of the Authority, unless such loss or damage is discovered within sixty (60) days after the redelivery of the vessel upon which the work was performed, and such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor, the Contractor's obligations under this paragraph (c) shall not exceed the sum of \$300,000.00 on account of any one accident or occurrence in respect to any one vessel.

The United States assumes the Contractor's risk of loss or damage, covered by this paragraph (c) in excess of \$300,000.00".

ENDORSEMENT (Cont'd)

Article 10

b. "The Contractor shall be responsible for and make good at its own cost and expense any and all loss of or damage of whatsoever nature to the vessel (or part thereof), its equipment, movable stores and cargo, and Government-owned materials and equipment for the repair, completion, alteration of or addition to the vessel in the possession of the Contractor, whether at the Plant or elsewhere, arising or growing out of the performance of the work, except where the Contractor can affirmatively show that such loss or damage was due to causes beyond the Contractor's control, was proximately caused by the fault or negligence of agents or employees of the Government, or which loss or damage the Contractor by exercise of reasonable care was unable to prevent; provided that the Contractor shall not be responsible for any such loss or damage discovered after redelivery of the vessel unless (i) such loss or damage is discovered within sixty (60) days after redelivery of the vessel and (ii) such loss or damage is affirmatively shown to have been the result of the fault or negligence of the Contractor. To induce the Contractor to perform the work for the compensation provided, it is specifically agreed that the Contractor's aggregate liability on account of loss of or damage to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment shall in no event exceed the sum of \$300,000.00 and the Government assumes as to the Contractor the risk of loss or damage (including, but not limited to, loss or damage from negligence of whatsoever degree of the Contractor's servants, employees, agents or subcontractors but specifically excluding loss or damage from wilful misconduct or lack of good faith on the part of any of the Contractor's directors, officers and any of its managers, superintendents or other equivalent representatives who have supervision or direction of (i) all or substantially all of the Contractor's business or (ii) all or substantially all of the Contractor's operation at any one Plant) to the vessel (or part thereof), its equipment, movable stores and cargo and said Government-owned materials and equipment in excess of \$300,000.00 provided, however, that as to such risk assumed and borne by the Government, the Government shall be subrogated to any claim, demand or cause of action against third persons which exists in favour of the Contractor, and the Contractor shall, if required, execute a formal assignment or transfer of claims, demands or causes of action, provided, further, that nothing contained in this paragraph shall create or give rise to any right, privilege or power in any person except the Contractor, nor shall any person (except the Contractor) be or become entitled thereby to proceed directly against the Government, or join the Government as a co-defendant in any action against the Contractor brought to determine the Contractor's liability or for any other purpose".

c. "The Contractor indemnifies and holds harmless the Government, its agencies and instrumentalities, the vessel and its owners, against all suits, actions, claims, costs or demands (including without limitations, suits, actions, claims, costs or demands resulting from death, personal injury and property damage) to which the Government, its agencies and instrumentalities, the vessel or its owner may be subject or put by reason of damage or injury including death) to the property or person of any one other than the Government, its agencies, instrumentalities and personnel, the vessel or its owner, arising or resulting in whole or in part from the fault, negligence, wrongful act or wrongful omission of the Contractor

#### ENDORSEMENT

Such indemnity shall include, without limitation, suits, actions, claims, costs or demands of any kind whatsoever, resulting from death, personal injury or property damage occurring during the period of performance of work on the vessel or within 60 days after redelivery of the vessel; and with respect to any such suits, actions, claims, costs or demands resulting from death, personal injury or property damage occurring after the expiration of such period, the rights and liabilities of the Government and the Contractor shall be as determined by other provisions of this contract and by law; provided, however, that such indemnity shall apply to death occurring after such period which results from any personal injury received during the period covered by the Contractor's indemnity as provided herein.

HOLD HARMLESS AND INDEMNITY AGREEMENT  
SEA-LAND SERVICE, INC.

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This agreement is to be considered in force until superseded in writing by mutual agreement referring specifically hereto.

In consideration of the price to be charged for repairs or services, or the privilege of bidding on such work, or the lease, rental, or loan of the property from the Indemnitee as defined below, it is hereby agreed that notwithstanding any other contract expressed or implied between the parties (hereinafter referred to as the Contractor) shall hold harmless, defend and indemnify R.J. Reynolds Tobacco Company, R.J. Reynolds Industries, Inc., McLean Industries, Inc., and/or subsidiary or affiliated companies, or their executive personnel, or vessels owned, chartered or operated by them, and any other owners of such vessels (hereinafter referred to as the Indemnitee) against all claims on account of any personal injury, death, or property damage, (including property of the Indemnitee) as long as the said injury, death or property damage shall have arisen directly or indirectly out of the operations of the contractor, his agents, employees, invitees or subcontractors.

It is understood that the above provisions shall apply only to injuries, death, or property damage which shall have occurred or resulted from conditions that occurred during :

1. The time a vessel or other property (including property for which the Indemnitee is legally liable) of Indemnitee shall be in the care, custody or control of the Contractor or his agent, or shall be berthed at his facility, or-
2. the time the Contractor or his agents, invitees, employees, or subcontractors were permitted access to the vessel or other property of the Indemnitee.
3. The time the Contractor is performing a service for the Indemnitee.

Contractor shall provide evidence of insurance with an insurance company suitable to the Indemnitee which shall refer specifically to this agreement, and which shall have at least the following limits of liability :

General Liability And/Or Automobile Liability, As Applicable

Personal Injury -	\$250,000.00	each person
	\$500,000.00	each accident
Property Damage -	\$500,000.00	each Accident

This insurance shall be primary and will cover all operations of the Contractor, and his subcontractors. Certificates of such insurance, as well as Workmen's Compensation Insurance, along with signed copy of this agreement, to be filed with :

Director, Insurance  
Sea-Land Service, Inc.  
P.O. Box 1050  
Elizabeth, New Jersey 07207

#### NEW YORK SUABLE CLAUSE

The place of physical and actual issue and delivery of this Policy is the City of London, but nevertheless as between the Assured and Underwriters the place of suit hereon shall be deemed the State of New York, United States of America and any suit hereon may be brought against the Underwriters in any court of competent jurisdiction within the United States. The summons and other legal processes may be served on Underwriters by and on behalf of the Assured by mailing a copy thereof by the United States registered mail addressed to Mr. Wilbur H. Hecht, Mr. John A. Curley or Mr. John A. Garrity, all of the Law Firm of Mendes & Mount, 27, William Street, New York City, New York, each of whom Underwriters hereby authorize to accept by and on its behalf such summons and other legal processes against Underwriters in any Court of competent jurisdiction within the United States. The mailing as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by Underwriters as such, and shall be legal and binding upon Underwriters for all the purposes of the suit. Final judgment against Underwriters in any such suit shall be conclusive, and it may be enforced in any other jurisdictions, including Great Britain, by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and the amount of this indebtedness. The right of the Assured to bring Suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any persons succeeding to the rights of any such mortgagee.

The following clause shall apply, but only, if this insurance is affected by the New York Insurance Law.

#### SERVICE OF SUIT CLAUSE

##### NEW YORK

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary arising out of this contract of insurance.

SERVICE OF SUIT CLAUSE (U.S.A.)

The place of physical and actual issue and delivery of this policy is the City of London. Nevertheless, at the option of the Assured, as between the Assured and the Assurers, the place of issue and delivery of the policy shall be considered in the City of New York and all matters arising hereunder shall be determined in accordance with American law and practice. Any suit hereon may be brought against these Assurers in any court of competent jurisdiction within the United States of America. The summons and other legal processes may be served on these Assurers by and in behalf of the Assured by mailing a copy thereof by United States registered mail addressed to Mr. John A. Garrity, Mr. Wilbur H. Hecht or Mr. John A. Curley, all of the law firm of Mendes & Mount, 27, William Street, New York, 5, N.Y., each of whom these Assurers hereby authorizes to accept by and in their behalf such summons and other legal processes against these Assurers in any Court of Competent jurisdiction within the United States of America. The mailing, as herein provided, of such summons or other legal processes shall be deemed personal service and accepted by these Assurers as such, and shall be legal and binding upon these Assurers for all the purposes of the suit. Final judgment against these Assurers in any such suit shall be conclusive; and it may be enforced in any other jurisdictions, including Great Britain, by suit on the Judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of this indebtedness. The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purposes of suit as herein provided, the word "Assured" includes any mortgagee under a ship mortgage and any person succeeding to the rights of any such mortgagee.

Applicable to Policies Subject to Section 59-A of the Insurance Law of the State of New York.

Underwriters hereon hereby designate the Superintendent of Insurance of the State of New York or his successor in office their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the (re)insured or any beneficiary hereunder arising out of this contract of (re)insurance.

It is agreed that if the Assured in accordance with permission granted under this Policy shall bring suit hereunder in the United States of America the law to be applied by the Courts in determining liability under the policy shall be the law of the United States of America.

EXTENSIONS

It is noted and understood the assured has temporarily "attached" vessel named "DELAWARE".

Notwithstanding anything contained herein to the contrary it is hereby noted and agreed to cover the assureds liability arising from the storage of this vessel, subject to limit US\$500,000 any one accident.

Warranted all local regulations for lay up complied with.

Subject to storage receipts being received and included in annual gross receipt figures. If no storage receipts received then underwriters wish to review situation as far as policy is concerned with possible Additional Premium to be negotiated.

It is further noted and agreed to include hereunder cover in respect of the assureds liability in respect of the towage from Norfolk to Baltimore and return by assureds tug NORSHIPCO III of a 42 foot barracks barge JRBM 23.

Coverage hereon to be excess of tugs hull value to a total limit of indemnity of \$1,000,000 thereof.

Additional Premium hereon ~~\$2,500 in full~~. To be confirmed

It is further noted and agreed to include assureds liability arising from the storage of said barge whilst being used as U.S.Navy crew quarters during repair of vessel named Fairfax County.

Excluding liability to Navy crew.

# CERTIFICATE OF INSURANCE

is to Certify, that policies in the name of

RECEIVED  
and  
ADDRESS

Norfolk Shipbuilding & Drydock Corp.  
P.O. Box 2100  
Norfolk, Virginia 23501

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR  
NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE  
AFFORDED BY ANY POLICY DESCRIBED HEREIN.

is in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS	
WORKMEN'S COMPENSATION AND EMPLOYERS' LIABILITY	WS 330 220	Eff. 3/1/78	Workmen's Compensation Ins.	STATUTORY
		Exp. 3/1/79	Employers' Liability Ins. \$2,000,000 ea. occ.	\$ Excess of \$500,000 retention
			BODILY INJURY	PROPERTY DAMAGE
COMPREHENSIVE GENERAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
OWNERS', LANDLORDS' AND TENANTS' LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
CONTRACTUAL LIABILITY		Eff.	\$ ,000 Each occurrence	\$ ,000 Each occurrence
		Exp.	\$ ,000 Aggregate	\$ ,000 Aggregate
AUTOMOBILE LIABILITY				
<input type="checkbox"/> Owned Automobiles		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
<input type="checkbox"/> Hired Automobiles		Exp.	\$ ,000 Each occurrence	
<input type="checkbox"/> Non-Owned Automobiles				
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff.	\$ ,000 Each person	\$ ,000 Each occurrence
		Exp.	\$ ,000 Each occurrence	
OTHER:		Eff.		
		Exp.		

Aggregate not applicable if Owners', Landlords' and Tenants' Liability Insurance excludes structural alterations, new construction and demolition.

In the event of any material change in, or cancellation of, said policies, the undersigned company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation nor liability upon the company.

Dated: March 22, 1978

Name of  
Company: MIDLAND INSURANCE COMPANY

*[Signature]*  
AUTHORIZED REPRESENTATIVE

CERTIFICATE ISSUED TO:

NAME  
and  
ADDRESS

Supervisor of Shipbuilding  
Conversion and Repair, USN  
Fifth Naval District  
P.O. Box 215  
Portsmouth, Virginia 23705

Phone: (804) 622-4651

SUPSHIP, USN  
FIFTH NAVAL DISTRICT  
TO: Box 215  
PORTSMOUTH, VIRGINIA 23705

DATE: MARCH 22, 1978

CONFIRMATION OF INSURANCE

This is to confirm that we have effected the following insurance for:

ASSURED: MOON ENGINEERING CO., INC.  
545 FRONT STREET  
NORFOLK, VIRGINIA 23510

LOSS PAYEE: ASSURED AND ORDER

COVERING: SHIPREPAIRER'S LEGAL LIABILITY,  
AS PER SP-9B (REV.1-62)

INSURED WITH & NEW HAMPSHIRE INSURANCE COMPANY  
POLICY NO.(S): 15128

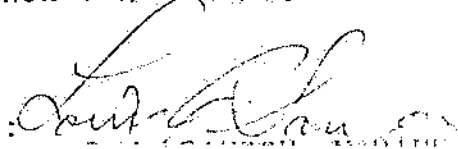
PERIOD OF INSURANCE: FEBRUARY 28, 1978 TO FEBRUARY 28, 1979

INSURED VALUE &/OR  
LIMIT OF LIABILITY: \$1,000,000.00

In the event of cancellation or material change under the above policy 30 days prior written notice will be given to the addressee herein.

cc: MOON ENGINEERING Co., INC.  
cc: NEW HAMPSHIRE INS. COMPANY

MARSH & McLENNAN, INC.

By:   
PAUL A. CANNON, VICE PRES.

T0: SUPSHIP, USN  
FIFTH NAVAL DISTRICT  
Box 215  
PORTSMOUTH, VIRGINIA 23705

DATE: MARCH 22, 1978

CONFIRMATION OF INSURANCE

This is to confirm that we have effected the following insurance for:

ASSURED: MOON ENGINEERING CO., INC.  
545 FRONT STREET  
NORFOLK, VIRGINIA 23510

LOSS PAYEE: ASSURED AND ORDER

COVERING: SHIPREPAIRER'S LEGAL LIABILITY,  
AS PER SP-9B (REV. 1-62)

INSURED WITH & NEW HAMPSHIRE INSURANCE COMPANY  
POLICY NO.(S): 15128

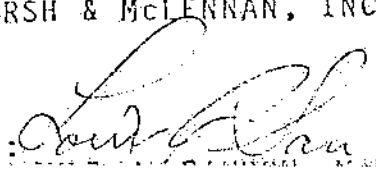
PERIOD OF INSURANCE: FEBRUARY 28, 1978 TO FEBRUARY 28, 1979

INSURED VALUE &/OR  
LIMIT OF LIABILITY: \$1,000,000.00

In the event of cancellation or material change under the above policy 30 days prior written notice will be given to the addressee herein.

cc: MOON ENGINEERING CO., INC.  
cc: NEW HAMPSHIRE INS. COMPANY

MARSH & McLENNAN, INC.

By:   
PAUL R. CANNON, VICE PRESIDENT